

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

VALERIE HUE,

Plaintiff,

v.

NCO FINANCIAL SYSTEMS, INC., a
Delaware corporation, trading as
NCO FINANCIAL COMMERCIAL SERVICES,

Defendant.

:
:
: C.A. No.: 05-225-KAJ
:
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:
:

APPENDIX TO NCO'S
REPLY BRIEF IN SUPPORT OF NCO'S
MOTION FOR SUMMARY JUDGMENT

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Dated: May 22, 2006

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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF DELAWARE

VALERIE HUE,)	
)	
Plaintiff,)	
)	
v.)	
)	Civil Action No.
NCO FINANCIAL SYSTEMS, INC.,)	05-225-KAJ
a Delaware corporation,)	
trading as NCO FINANCIAL)	
COMMERCIAL SERVICES,)	
)	
Defendant.)	

Telephone Deposition of TEX FOX taken pursuant to notice at the law offices of Parkowski, Guerke & Swayze, P.A., 116 West Water Street, Dover, Delaware, beginning at 2:30 p.m. on Monday, March 13, 2006, before Robert Wayne Wilcox, Jr., Registered Professional Reporter and Notary Public.

APPEARANCES:

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C-1

Corbett & Wilcox

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Tex Fox

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<p>1 Q. Okay.</p> <p>2 A. E-Payments is outside of NCO Financial</p> <p>3 Systems, Inc.</p> <p>4 Q. You need to speak up.</p> <p>5 A. I'm sorry. I was just clarifying that</p> <p>6 E-Payments is part of NCO Financial Systems. It's part</p> <p>7 of NCO Group. And Portfolio Management is not part of</p> <p>8 Financial Systems. It's part of NCO Group.</p> <p>9 Q. All these entities are serviced by the same HR</p> <p>10 department. Is that true?</p> <p>11 A. True.</p> <p>12 Q. Okay. Would the employees in these different</p> <p>13 entities share a 401 (k) plan, have the same benefits and</p> <p>14 so forth, or are all there distinctions among the</p> <p>15 different entities for those types of programs?</p> <p>16 A. Again, Jerry, I think I'd be speculating if I</p> <p>17 told you I knew exactly what benefits were offered to</p> <p>18 each division. I do know in commercial every employee is</p> <p>19 offered the same package of what benefits are available</p> <p>20 to them. I really truly don't know -- I believe that</p> <p>21 it's the same package for all the other divisions, but I</p> <p>22 can't really tell you that for sure.</p> <p>23 Q. Okay. You know who Bill Savage is. Correct?</p> <p>24 A. I do know who Bill Savage is.</p>	<p>1 Q. When you went to work in the Dover branch, I</p> <p>2 think you said you did that for about three and a half</p> <p>3 months. Is that right?</p> <p>4 A. Yeah. It was three and a half -- a little</p> <p>5 over -- maybe a couple days over three and a half</p> <p>6 months.</p> <p>7 Q. Okay. Who did you report to when you worked</p> <p>8 there?</p> <p>9 A. I reported to Lou Molitiere.</p> <p>10 Q. Did he work --</p> <p>11 A. I'm sorry. I reported to Lou Molitiere, but</p> <p>12 when I was in Dover, my first direct manager on a daily</p> <p>13 basis was Mike Gibson.</p> <p>14 Q. Okay. Who ran the office? Who was the branch</p> <p>15 manager at that time?</p> <p>16 A. The branch manager was Bill Savage.</p> <p>17 Q. Okay. Other than that three-and-a-half-month</p> <p>18 period that you worked at the Dover office, was there any</p> <p>19 other time where you and Bill Savage were located in the</p> <p>20 same geographical location?</p> <p>21 A. No.</p> <p>22 Q. Okay. Can you describe for me what types of</p> <p>23 things you interacted with Bill Savage on at the time</p> <p>24 that you worked in the Dover office?</p>
Page 15	Page 17
<p>1 Q. When did you first become acquainted with him,</p> <p>2 assuming you did become acquainted with him?</p> <p>3 A. I was hired by Lou Molitiere, who was at the</p> <p>4 time the person who was heading up the sales and</p> <p>5 marketing for Milliken & Michaels. When Lou --</p> <p>6 MR. ISRAEL: Go slow.</p> <p>7 THE WITNESS: I'm sorry.</p> <p>8 When Lou hired me to work for the</p> <p>9 organization as an executive recruit, I was living in the</p> <p>10 Northern Virginia area. And they decided they did not</p> <p>11 want me to do my training down in Louisiana. It would</p> <p>12 make more sense to do it in the closest geographic</p> <p>13 branch, which was Dover.</p> <p>14 So the first time that I ever met Bill</p> <p>15 Savage was after I was offered the job. Lou had asked me</p> <p>16 to take a ride over to Dover to meet Bill Savage, to take</p> <p>17 a look at the branch and see if that was something I'd be</p> <p>18 comfortable to do. So that was back somewhere in the</p> <p>19 fall of 1997.</p> <p>20 BY MR. HOMER:</p> <p>21 Q. Okay. Is Molitor spelled M-o-l-i-t-o-r?</p> <p>22 A. I don't recall.</p> <p>23 Q. Okay.</p> <p>24 A. I would have to take a guess at it.</p>	<p>1 A. I interacted with Bill on coordination of some</p> <p>2 expense reports I had, in coordination with following</p> <p>3 my -- I'll call it a contract I had with Lou Molitiere</p> <p>4 that at the end of three months I was to move from the</p> <p>5 primary department to the CFD department.</p> <p>6 Q. To the what department?</p> <p>7 A. The CFD department. It was essentially their</p> <p>8 customer service department.</p> <p>9 Q. Okay.</p> <p>10 A. That was my interaction with Bill.</p> <p>11 Q. Okay. How many people were in the Dover</p> <p>12 office? How many employees did they have during that</p> <p>13 time you were there?</p> <p>14 A. At that time? Fifty.</p> <p>15 Q. Okay. Would you see Bill Savage every day</p> <p>16 that you went to work? I realize there were days that</p> <p>17 you may have been on vacation or he may have been sick.</p> <p>18 But in the normal course of things, if you were both</p> <p>19 working, would you normally see each other every day?</p> <p>20 A. Yes. It was Bill's practice to walk the</p> <p>21 floor. Any day he was in the branch, he would walk not</p> <p>22 only the sales floor but the collection floor to make his</p> <p>23 presence known.</p> <p>24 Q. Okay. Incidentally, I forgot to tell you</p>

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Tex Fox

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<p>1 this, but just I want to put on the record: You</p> <p>2 understand that even though we're doing this by telephone</p> <p>3 it doesn't change the fact that you really can't talk to</p> <p>4 the attorney during any kind of sidebar conversations</p> <p>5 with your attorney or get other communication from him by</p> <p>6 way of written notes or gestures or anything like that?</p> <p>7 A. I understand.</p> <p>8 Q. Okay. Was Mr. Savage involved in any way in</p> <p>9 you receiving any promotion?</p> <p>10 A. No. My contract was written very specific</p> <p>11 that I was to move from primary to CFD on the first day</p> <p>12 of the fourth month. It was written that I was supposed</p> <p>13 to move on the first day of the seventh month into</p> <p>14 management. We never got that far into the deal because</p> <p>15 they had terminated their relationship with the branch</p> <p>16 manager of the credit services division down here in</p> <p>17 Metairie, Louisiana.</p> <p>18 Q. Okay.</p> <p>19 A. And Lou Molitiere and Tray Cefalu were the</p> <p>20 only ones involved in that promotion.</p> <p>21 Q. Okay. Can we get a spelling for that name you</p> <p>22 just gave as Tray --</p> <p>23 A. C-e-f-a-l-u.</p> <p>24 Q. Was Mr. Savage ever involved in instructing</p>	<p>1 Q. Okay. Did you at any time socialize with</p> <p>2 Mr. Savage outside the office?</p> <p>3 A. You know, I've been thinking about this for a</p> <p>4 while because, obviously, we're going back several years.</p> <p>5 Bill is an avid golfer. And I am trying to recall -- and</p> <p>6 I can't recall if I ever did golf with him one time. I</p> <p>7 know that he had invited me on several occasions. And if</p> <p>8 I had, it would have been one time, mainly because my</p> <p>9 free time -- I did still live in Virginia when I had the</p> <p>10 Dover office. I did not stay in Dover on any weekends.</p> <p>11 So I really -- Jerry, I can't recall. And if I had, it</p> <p>12 would have been one time. And it would have been with</p> <p>13 other people from that office.</p> <p>14 Q. Would this jar your recollection? Did you</p> <p>15 ever make a trip to Hilton Head to golf where Savage was</p> <p>16 present?</p> <p>17 A. No. Never.</p> <p>18 Q. Okay. To get back to the question I asked</p> <p>19 before, you mentioned the possibility that you golfed</p> <p>20 with him. Were there any other times that you socialized</p> <p>21 with Bill Savage outside the office? For example, did</p> <p>22 you go out to dinner with him or engage in any other</p> <p>23 contact with him outside the office?</p> <p>24 A. When he was the Boone manager, I did often do</p>
Page 19	Page 21
<p>1 you as to how to do your job?</p> <p>2 A. All of my sales and management meetings were</p> <p>3 held by Mike Gibson. The only involvement I had with</p> <p>4 Bill Savage was whenever he would hold a branch meeting</p> <p>5 or an awards meeting. I would -- if I had to explain it,</p> <p>6 it was more or less a secret that I was an executive</p> <p>7 recruit in the branch. So anytime that I needed to get</p> <p>8 something from corporate, which is where Lou and Tray</p> <p>9 Cefalu were located, I would have to do that through Bill</p> <p>10 Savage. So there was an occasion where I would have to</p> <p>11 go to his office and have him call Lou or get something</p> <p>12 to Lou or to Tray for me during that three-month period.</p> <p>13 And that goes back to the expense reports, my corporate</p> <p>14 housing. I had a lot of questions, especially in the</p> <p>15 early months when they were putting that together.</p> <p>16 Q. Okay. Were you ever involved in any way in</p> <p>17 Mr. Savage receiving a promotion?</p> <p>18 A. For as long as I knew Bill, he was a branch</p> <p>19 manager. Never anything more. We did move him from</p> <p>20 Dover to the Boone location. And then when we reduced</p> <p>21 the size of the Boone location, we moved him back to</p> <p>22 Dover.</p> <p>23 Q. Okay.</p> <p>24 A. But he never got a promotion. He got moved.</p>	<p>1 branch visits. When I do a branch visit, I take the</p> <p>2 managers out to dinner. I did have dinner with him and</p> <p>3 Cliff Scales back when -- this was one visit prior to us</p> <p>4 reducing the branch. So, again, this was back somewhere</p> <p>5 in the late 1990s.</p> <p>6 Q. Okay. Anything other than the dinner where</p> <p>7 you would have had contact with Bill Savage outside the</p> <p>8 office? I understand there's a possibility that you</p> <p>9 golfed with him at least one time.</p> <p>10 A. No.</p> <p>11 Q. Okay. Did you consider Bill Savage a friend</p> <p>12 of yours while you worked with him at NCO?</p> <p>13 A. No.</p> <p>14 Q. Okay. Have you had any contact with him since</p> <p>15 he left NCO?</p> <p>16 A. I think I talked to him one time, and it was a</p> <p>17 business-related issue about a crossover of clients.</p> <p>18 Q. Okay.</p> <p>19 A. And that was one time and one time only.</p> <p>20 Q. Okay. Did you know Valerie Hue before</p> <p>21 December '03?</p> <p>22 A. Yeah. Valerie -- she, I believe, at the time</p> <p>23 I was in Dover was a collector.</p> <p>24 Q. Okay.</p>

6 (Pages 18 to 21)

Tex Fox

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<p>1 A. I met Valerie when I first came to the Dover 2 office. Maybe not right away, because I was on the sales 3 side. But, yeah, I knew Valerie.</p> <p>4 Q. Okay. After you left the Dover office, did 5 you retain any contact with her in connection with your 6 job?</p> <p>7 A. The time that I would see Valerie would be 8 when I did a Dover branch visit. I do recall seeing 9 Valerie when we were doing CRS straining where Valerie 10 and a couple others came down here to Metairie. Really 11 that's most of -- all of the involvement I've ever had 12 with Valerie after I left Dover.</p> <p>13 Q. Okay. So it would be fair to say that you had 14 very infrequent contact with her after you left the Dover 15 office?</p> <p>16 A. Yeah. That would be very fair to say.</p> <p>17 Q. Okay. Were you involved in any way in the 18 termination of employment of Bill Savage at NCO?</p> <p>19 A. I was his direct manager, and I was involved 20 in firing Bill Savage, correct.</p> <p>21 Q. Okay. Could you describe for me the process 22 that was used to terminate Bill Savage?</p> <p>23 A. I'm going to do this from recollection, Jerry. 24 If I recall, we received a call, "we" being Phil Weaver,</p>	<p>1 based on what we learned, our HR department, Phil Weaver 2 and myself all agreed that that was the only thing to do 3 So it wasn't a one person -- it was a such an obvious 4 thing that he needed to go.</p> <p>5 Q. Okay. So HR was involved in the decision as 6 well as you and Phil Weaver?</p> <p>7 A. HR is involved in every termination.</p> <p>8 Q. Okay. What was the extent of their 9 involvement? Can you describe what they did in 10 connection with it?</p> <p>11 A. Again, I'm going to go from memory. I believe 12 they received the information that we gathered. I want 13 to say we did suspend Bill. We did -- I believe it 14 was -- I want to say it was Cherie Sugg over the phone. 15 And that was it. You know, they keep the documentation 16 And I truly don't know what they do on their end with 17 that.</p> <p>18 Q. Okay. Was there any attorney involved in it, 19 do you remember?</p> <p>20 A. No. Truthfully, I remember us calling Bill, 21 saying, Bill, you said this. You did this. And he said 22 yeah, I did. We said, okay, you're done.</p> <p>23 Q. Okay. Would it be fair to say that, given 24 what Bill Savage did, NCO had some concern about the</p>
Page 23	Page 25
<p>1 who was then -- was then senior vice president and 2 general manager of the commercial division. We received 3 a call from the then general collection manager, Rick 4 Boudreau, about what Bill had been saying in -- or had 5 done to Val -- said or done to Valerie, if I call. We 6 then got a statement from Valerie learning what things 7 offensive that were said and done. There was no 8 hesitation. The only consideration was to terminate his 9 employment with our organization.</p> <p>10 Q. Okay. You mentioned a phone conversation with 11 Boudreau. Were you on that conversation, and was Phil 12 Weaver on the conversation and Boudreau? Were those the 13 three that were on the conversation?</p> <p>14 A. I recall that the conversation was in my 15 office on a speakerphone with Phil Weaver in my office. 16 And I believe Boudreau in his office in Dover.</p> <p>17 Q. Okay. Have you seen a transcript of that 18 phone conversation?</p> <p>19 A. I saw -- yeah, I have. Yes.</p> <p>20 Q. Okay. Who was the decision-maker regarding 21 the termination of Bill Savage?</p> <p>22 A. The decision-making -- I mean, it really was 23 a -- it was a no-brainer. I mean, you know, we have 24 specific things that you can do or you can't do. And</p>	<p>1 legality of the situation and its possible liability if 2 it didn't fire him?</p> <p>3 A. I can't speak for -- yeah. Absolutely. I 4 mean --</p> <p>5 Q. Okay.</p> <p>6 A. -- it was offensive.</p> <p>7 It was offensive on every level.</p> <p>8 Q. Okay. Your position when Bill Savage was 9 fired was vice president of sales in the collection 10 division?</p> <p>11 A. At the time I was called senior vice president 12 of sales.</p> <p>13 Q. Okay. Bill Savage was the branch manager and 14 reported to you at that time. Correct?</p> <p>15 A. Yes. He was.</p> <p>16 Q. Okay. I'd like to refer to that transcript 17 that we just talked about. I don't know if you got a 18 copy of it there or not.</p> <p>19 MR. ISRAEL: Hold on a second.</p> <p>20 MR. HOMER: It was Weaver Exhibit 1.</p> <p>21 MR. ISRAEL: I have it.</p> <p>22 BY MR. HOMER:</p> <p>23 Q. Okay. If you turn to page 17 --</p> <p>24 MR. ISRAEL: Hold on one moment.</p>

7 (Pages 22 to 25)

Tex Fox

<p style="text-align: right;">Page 30</p> <p>1 MR. ISRAEL: He's explained it by you 2 describing what you understand the court reporter to have 3 done regarding a tape that he hasn't heard which is 4 contrary to his recollection. So all you're doing is 5 arguing with him. He's given you his answer. 6 MR. HOMER: Well, I don't think he 7 recalled there being more. I think what he said was that 8 he's assuming there might have been something more. 9 MR. ISRAEL: Okay. Well -- 10 MR. HOMER: My question is: Assuming 11 that there wasn't anything more, can you make any sense 12 out of what this statement means other than what I 13 explained? 14 MR. ISRAEL: Wait. You don't have to 15 assume anything. If you have a recollection different, 16 then tell him what your opinion is. But you don't have 17 to assume anything. 18 MR. HOMER: Well -- 19 A. I'm not going to assume anything, Jerry. My 20 opinion of what this conversation represented -- and I'll 21 restate it again for you -- is that Phil and I were more 22 or less talking to the general collection manager who was 23 responsible for all the collectors in that office. And 24 they were -- Rick was relaying to us what was going on in</p>	<p style="text-align: right;">Page 32</p> <p>1 A. Yeah, I have. 2 Q. Can you tell me how many times has that 3 happened other than those two? 4 A. Are you talking in the time that I was -- 5 since I've run the division or when I was also including 6 the time when I was senior vice president of sales or 7 when I was also running the credit services division? 8 Q. Let's break it down. Let's say before you 9 ascended to the position of vice president of the 10 collection division in December of '03. How many times 11 would you have been involved in terminating a manager? 12 A. There were several. I can name a few that I 13 remember. 14 Q. Well, I don't need to know the names. I'm 15 just trying to get an idea of how many times it happened. 16 A. Recognizing there was eight general collection 17 positions at the time -- and I think there were ten 18 branch manager positions at the time -- 19 MR. ISRAEL: I don't think he was 20 limiting it to those. I think he was asking any manager. 21 THE WITNESS: Any manager? 22 MR. HOMER: Yes 23 THE WITNESS: You're talking a lot. 24</p>
<p style="text-align: right;">Page 31</p> <p>1 the Dover branch. 2 So my comments here would be in 3 relationship to what information we were gathering. And 4 I can only tell you -- and I know how I control myself 5 and how I control what I manage directly -- that there 6 are business relationships and there are personal 7 relationships. And I don't believe personal 8 relationships should be in there. They shouldn't be that 9 way. And that's possibly where I'm going with the "Don't 10 get comfortable with somebody." If you do that, you're 11 opening a lot of windows and doors you probably don't 12 want to. 13 Q. Okay. Let's move on to another topic. 14 A. Okay. 15 Q. Have you, during the time that you've worked 16 at NCO, been involved in the termination of other 17 managers? 18 MR. ISRAEL: One second. Are we done 19 with the transcript? 20 MR. HOMER: Yes. 21 MR. ISRAEL: Okay. 22 BY MR. HOMER: 23 Q. Have you been involved in the termination of 24 other managers other than Valerie Hue and Bill Savage?</p>	<p style="text-align: right;">Page 33</p> <p>1 BY MR. HOMER: 2 Q. Okay. How about after you became the vice 3 president of collections in January of '04? How many 4 times have you terminated a manager? 5 MR. ISRAEL: That would be to date? 6 MR. HOMER: Yes. 7 A. A lot. 8 Q. Okay. What was the process that you generally 9 followed before you were promoted in December of '03? 10 What process was usually followed if you terminated a 11 manager, if there was a process that was usual? 12 A. You have to -- if somebody broke a rule or a 13 law, there's no process. It's immediate. If it was 14 production-related -- 15 MR. ISRAEL: Are you asking about a 16 manager versus a producer? 17 MR. HOMER: No. I'm talking about 18 managers. 19 MR. ISRAEL: Okay. He's asking about 20 managers. 21 THE WITNESS: I'm just quantifying. 22 If it was production-related, you would 23 follow really progressive discipline from a verbal to a 24 written to final to termination. That would be depending</p>

9 (Pages 30 to 33)

+3027351835

MILLIKEN & MICHAELS

654 P02 OCT 11 '01 15:11
LON OUT JCSW F.02/02**Job Discussion Summary****** PLEASE PRINT OR TYPE ****

LAST NAME Savage	FIRST NAME William	SOCIAL SECURITY NUMBER REDACTED
LOCATION (CITY, STATE) Dover, Delaware	ACQUISITION NAME October 11, 2001	

Nature of Discussion (check one):

Verbal Warning Written Warning Final Warning ☒ Termination

Topic of Discussion (check one):

Attendance Performance ☒ Violation of Co Policy - Harassment & Unprofessional Conduct/Workplace Behavior

Written Summary (use separate sheet if necessary, include dates, times, who, what, when, why, etc.):

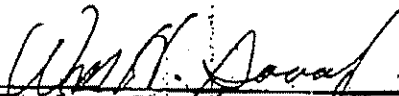
Management was recently informed of your offensive and harassing behavior in the workplace relating to sexist remarks, racism, and offensive comments to employees. As a member of NCO Management, you are required to promote a positive work environment, free from discrimination and harassment. NCO policy clearly states that physical violence, threats, intimidation or harassment of another associate including but not limited to racial harassment will result in immediate dismissal. A fact-finding was conducted and found these allegations to be true. There are several witnesses to your unprofessional conduct.

Consistent feedback is that your management style is witnessed as unprofessional conduct to include but not limited to use of offensive language and/or behavior that causes disruption in the work setting. This type of behavior has created an offensive environment that constitutes racial and sexual harassment in the workplace. The behaviors you display question your ability to adequately perform the tasks assigned to you, and will not be tolerated.

Action To Be Taken (results of discussion, follow up, dates of follow up, etc.):

Due to the violation of NCO's EEO and Harassment and Unprofessional Conduct policies, your employment is terminated effective immediately.

Employee Comments:


Employee Signature (Your signature does not indicate Agreement, only receipt of discussion.)


Manager/Supervisor Signature/Date

Copy - Human Resources

EmpRelat/JobDiscussionSummaryForm.doc edited 3/00

C-6

TOTAL 8.82

10/11/2001 THU 15:09 [TX/RX NO 9199] 2002

**NCO Financial
Systems, Inc**

Memo

To: Ted Fox
From: Valerie Hue
CC: Ric Boudreau
Date: 10/15/01
Re: Comments of Bill Savage

I have been asked to document comments made to me by Bill Savage. The following are only some of the comments made.

I have been the only African American female large balance collector/manager the Dover branch has had. Over my tenure with Milliken & Michael's/ NCO Financial System, Inc Bill has made numerous comments.

While completing a sit-with, Mr. Savage yells to me to come here. When I reached his location he states, " Tell Her to wake her fat ass up". He was referring to Audrey Williams, apparently she was sleep in her office. 24 hrs later she resigned. I told Mr. Savage he can't say those things and his response was and I quote "fuck her"

At the award ceremony he yells at the receptionist. "Don't you thing he is fucking busy." He was referring to a call from Phil Weaver and Ted Fox to Mike Scher.

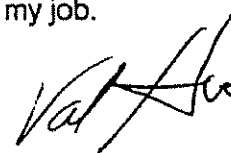
At the receptionist counter he stated he loved black pussy in context to a conversation to my mixed heritage

I was wearing a tee shirt that has Dollar bills printed on it. He comments "Val walking around with fucking money on her tits"

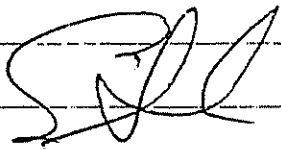
I was walking around the corner and ran into him. He put his arms around me and said nice tits. I told him to get his hands off of me.

At a large balance meeting he made a comment to one of the collectors to stop being a wet pussy and put their numbers on the board.

There are many other comments that Bill has made over the years. To make a complaint against Mr. Savage would only result in me loosing my job.



A MONTH OR SO AGO MY MANAGER RIC BOUDREAU WAS IN MY OFFICE GOING OVER A FILE WITH ME. MR BILL SAVAGE INTERRUPTED OUR MEETING BY WALKING IN AND STATING TO MR BOUDREAU "WHAT'S THAT NIGGER DOING THERE POINTING TO THE SMALL BALANCE COLLECTION DEPARTMENT", AT THAT POINT MR SAVAGE AND MR. BOUDREAU LEFT MY OFFICE.



ERIC SHAW

10-15-01

TO: Ted Fox
From: Ric Boudreau

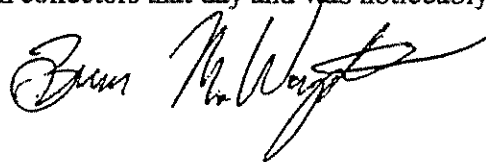
RE: Bill Savage

The following is events are for the record:

Incident 1. In mid September 2001, I was reviewing a collection account in Eric Shaw's office when Mr. Savage came in. He said to me in a "Matter of Fact" voice, "Do you think that that "N>>" (Audrey Williams) can stay on the phone" and collect some fee? I responded to him that she was on the phone and collecting fee and that his commentary about her lineage was uncalled for. I escorted him out of the collectors office and away from the collection floor.

Incident 2. Early in the following week, Mr. Savage came up to me in the hall and asked if I was "casting for a Tarzan movie". My small balance manager Brian Waystack had been interviewing a few African American collectors that day and was noticeably taken back by the comment.

WITNESS TO INCIDENT #2



Michael Scher

Page 1

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

VALERIE HUE,)	
)	
Plaintiff,)	
)	
v.)	
)	Civil Action No.
NCO FINANCIAL SYSTEMS, INC.,)	05-225-KAJ
a Delaware corporation,)	
trading as NCO FINANCIAL)	
COMMERCIAL SERVICES,)	
)	
Defendant.)	

Telephone Deposition of MICHAEL SCHER taken pursuant to notice at the law offices of Parkowski, Guerke & Swayze, P.A., 116 West Water Street, Dover, Delaware, beginning at 10:00 a.m. on Thursday, March 23, 2006, before Robert Wayne Wilcox, Jr., Registered Professional Reporter and Notary Public.

APPEARANCES:

JEREMY W. HOMER, ESQ.
PARKOWSKI, GUERKE & SWAYZE, P.A.
116 West Water Street
Dover, Delaware 19903
for the Plaintiff,

ELIZABETH K. FITE, ESQ. (via teleconference)
SESSIONS, FISHMAN & NATHAN, L.L.P.
15316 North Florida Ave - Suite 100
Tampa, Florida 33613
for the Defendant.

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C-10

Michael Scher

3 (Pages 6 to 9)

Page 6	Page 8
<p>1 Q. Okay. In 2000 you were general manager, did 2 you say?</p> <p>3 A. No. In 2001 I was general manager.</p> <p>4 Q. Okay. How long did you hold that position?</p> <p>5 A. Until June 30th, 2005.</p> <p>6 Q. During that time period that you were general 7 manager, where did you work?</p> <p>8 A. Dover, Delaware.</p> <p>9 Q. Okay. Then in June of 2005, you assumed a new 10 position?</p> <p>11 A. Yes. I moved down here to Tampa, Florida to 12 assume the senior general sales manager position in 13 Tampa.</p> <p>14 Q. Okay. Was that a promotion?</p> <p>15 A. I would call it more a lateral move.</p> <p>16 Q. Okay.</p> <p>17 A. I was no longer general manager, but I was 18 head of sales management here.</p> <p>19 Q. Okay.</p> <p>20 A. That lasted two months, three months. And 21 then I was moved to a position called director of 22 vertical markets of NCO Financial.</p> <p>23 Q. Okay.</p> <p>24 A. That is the position I currently hold.</p>	<p>1 A. I don't believe I've ever played golf with Ted 2 Fox.</p> <p>3 Q. Okay. Did you ever have other occasions to 4 get together socially with Mr. Savage? For example, 5 going out to dinner, playing pool -- any type of activity 6 outside the office.</p> <p>7 A. I have been to dinner with Bill Savage outside 8 the office, yes.</p> <p>9 Q. How many times did you do that?</p> <p>10 A. I could not tell you.</p> <p>11 Q. It was several times? Would that be fair to 12 say?</p> <p>13 A. Yes.</p> <p>14 Q. Okay. On any of those occasions, do you 15 recall whether Ted Fox was also there?</p> <p>16 A. I don't recall. I don't believe so.</p> <p>17 Q. Okay. Do you know whether Ted Fox and Bill 18 Savage were personal friends when they were in the Dover 19 office?</p> <p>20 A. I would not call them personal friends, no.</p> <p>21 Q. Okay. I'd like to ask some questions about 22 your duties as general manager of the Dover office.</p> <p>23 A. Okay.</p> <p>24 Q. Could you just generally describe what your</p>
Page 7	Page 9
<p>1 Q. Okay. Where were you located prior to the 2 time during which you were the general manager of the 3 Dover office?</p> <p>4 A. I spent 13 years in the Dover office. I was 5 located in the Dover office my entire career.</p> <p>6 Q. Okay. During the course of your employment in 7 the Dover office, did you know an individual named Bill 8 Savage?</p> <p>9 A. Yes.</p> <p>10 Q. Did you report to him?</p> <p>11 A. At times, yes, I did.</p> <p>12 Q. Okay. Did you also know while you worked in 13 the Dover office an individual named Ted Fox?</p> <p>14 A. Yes.</p> <p>15 Q. Okay. Did you and Mr. Fox and Mr. Savage ever 16 socialize together while you were all in the Dover 17 office?</p> <p>18 A. Not that I recall.</p> <p>19 Q. Do you ever recall playing golf with him?</p> <p>20 A. With Bill Savage?</p> <p>21 Q. Yes.</p> <p>22 A. Yes, I've played golf with Bill Savage.</p> <p>23 Q. Okay. Did you also play golf with Ted Fox?</p> <p>24</p>	<p>1 job functions were there?</p> <p>2 A. Sure. I ran the sales department and more of 3 the day-to-day functions of the Dover branch.</p> <p>4 Q. Okay. What did the Dover branch consist of 5 when you were the general manager? What departments did 6 it have?</p> <p>7 A. We had a sales department, and we had a 8 collection department.</p> <p>9 Q. Okay. The collection department: What types 10 of collections did they do? Did they do consumer? 11 Commercial?</p> <p>12 A. Commercial.</p> <p>13 Q. Just commercial?</p> <p>14 A. That's correct.</p> <p>15 MS. FITE: Let him finish the question.</p> <p>16 THE WITNESS: Sorry.</p> <p>17 BY MR. HOMER:</p> <p>18 Q. Okay. About how many employees did you have 19 under you when you were general manager of the Dover 20 office? I'm looking now at the time period 2003. I'm 21 not asking for an exact number but just a rough idea.</p> <p>22 A. The Dover office in 2003 probably had 80 23 employees, I want to say.</p> <p>24 Q. Okay. Do you know approximately what</p>

COPY 1

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

VALERIE HUE,)
Plaintiff,)
)
v.) C.A. No.
) 05-225-KAJ
NCO FINANCIAL SYSTEMS, INC., a)
Delaware corporation, trading as)
NCO FINANCIAL COMMERCIAL SERVICES,)
Defendant.)

Telephone deposition of **RICHARD BOUDREAU**,
taken before Cheryl A. Anthony, Court Reporter, in the
law offices of Parkowski, Guerke & Swayze, 116 West
Water Street, Dover, Delaware, on Tuesday, March 28,
2006, beginning at 12:05 p.m.

APPEARANCES:

PARKOWSKI, GUERKE & SWAYZE
BY: JEREMY W. HOMER, ESQUIRE
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Attorney for Plaintiff.

SESSIONS, FISHMAN & NATHAN
BY: DAVID ISRAEL, ESQUIRE
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Metairie, Louisiana 70002-1752
and ELIZABETH FITE, ESQUIRE
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Suite 100
Tampa, Florida 33613
Attorneys for Defendant.

ALSO PRESENT:
MS. VALERIE HUE

ORIGINAL RETAINED BY JEREMY W. HOMER, ESQUIRE

ANTHONY REPORTING
PO Box 234
Dover, Delaware 19903
(302) 674-8884.

1 his wife and my wife went out to dinner at that time. I
2 have been to his house at New Year's Eve with 25 other
3 people, that type of a situation.

4 And often managers would go to
5 lunch/breakfast meetings with Bill. He would come into
6 town, you know, on a Saturday morning, and we were
7 obligated to sort of meet him for breakfast at the Blue
8 Hen Restaurant. And our morning meetings were held
9 there. When we would have lunch, they would be over
10 at, I guess, the Sheraton, that big hotel. I don't
11 remember the place anymore. But that is where we would
12 go for lunch, me and three other managers, sales
13 managers, collection managers, that type of thing. And
14 we would have business lunches in that scenario.

15 Q. Do you recall whether Ted Fox was at any of
16 those lunches or dinners?

17 A. No. I don't recall it. Ted Fox was never
18 at any of those meetings.

19 Q. Okay. Did you ever play golf with Bill
20 Savage?

21 A. The only time I ever go near those -- I know
22 this is a -- no.

23 Q. Okay. How about pool? Did you ever play
24 pool with him?

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

VALERIE D. HUE,)
)
 Plaintiff,)
) Civil Action
 v.) No. 05-225-KAJ
)
 NCO FINANCIAL SYSTEMS, INC.,)
 a Delaware corporation,)
 trading as NCO FINANCIAL)
 COMMERCIAL SERVICES,)
 Defendant.)

Deposition of VALERIE D. HUE taken pursuant to notice at the law offices of Parkowski, Guerke & Swayze, 116 West Water Street, Dover, Delaware, beginning at 9:41 a.m. on Wednesday, January 4, 2006, via telephone before Lucinda M. Reeder, RDR, CRR and Notary Public.

APPEARANCES:

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- and -

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1 Mr. Davies, retaliated against you or treated you
2 badly as a result of anything you did regarding
3 Savage. Are you?

4 A. No.

5 Q. It's your testimony that Mr. Fox retaliated or
6 has treated you badly over Mr. Savage being fired and
7 your report regarding Mr. Savage?

8 A. Yes.

9 Q. What aside from your discharge, if anything,
10 did Mr. Fox do of a retaliatory or discriminatory
11 nature after Savage was gone?

12 A. He suspended me, and he terminated me.

13 Q. And that all relates to the issue of improper
14 handling of checks. Correct?

15 A. That's what he claimed.

16 Q. Between October of 2001 when you made your
17 report about Savage and when you were suspended
18 regarding improper handling of checks, as claimed by
19 NCO and Ted Fox, what, if anything, did Ted Fox do of
20 a retaliatory or discriminatory nature against you?

21 A. Other than my suspension and termination?

22 Q. Yes.

23 A. And ignoring me. That would be basically it.

24 Q. When you say ignoring you, what do you mean?



Valerie D. Hue

76

1 A. When he visited the office, he would not
2 acknowledge me. When I saw him on business trips, he
3 would not acknowledge me.

4 Q. Okay. So he would ignore you?

5 A. Mm-hmm.

6 Q. And in addition or aside from him ignoring you
7 from October of 2001 until your January 2004
8 suspension, what else, if anything else, did he do?

9 A. Nothing. I had no direct contact with Ted as
10 he was in sales. Only when he became the
11 vice-president or president of operations.

12 Q. Only when he became the head of the commercial
13 division?

14 A. Right.

15 Q. Once he became head of the commercial division,
16 aside from ignoring you, anything else?

17 A. He called me and terminated me and suspended
18 me.

19 Q. I am only asking for the time period between
20 October of 2001 when you made your report, which is
21 Hue 7 in front of you, and January of 2004 when you
22 were suspended and then terminated. That's the time
23 period I'm looking for. Aside from Mr. Fox ignoring
24 you during that time as head of the commercial



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Condensed Deposition of
KATHY OBENSHAIN

Date: March 16, 2006

Case: HUE v. NCO FINANCIAL SYSTEMS

No.: 05-225-KAJ

Volume: I

Reported by: G. PAIGE ALEXANDER, CSR

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Hue vs. NCO Financial Systems

3/16/06 - Kathy Obenshain

Page 161	Page 163
<p>1 There's no privilege; there's no discussion with 2 attorneys at all. There's nothing about that 3 that's privileged. 4 MR. ISRAEL: I'm not sure that's true, 5 because the process -- 6 MR. HOMER: That is just a routine 7 question. 8 MR. ISRAEL: Well, I don't think I agree. 9 But go ahead. If you can remember when, go 10 ahead and answer. 11 A I cannot remember when, but -- and it 12 probably didn't -- didn't come from me. If I'm not 13 mistaken -- and I honestly don't know the time frame 14 there -- I believe Cherie Sugg got the attorneys involved. 15 BY MR. HOMER: 16 Q Do you know if it was before Valerie Hue was 17 terminated? 18 A Before Valerie Hue was terminated; I can't 19 say for a fact. 20 Q You don't know? 21 A Don't know. 22 Q You didn't have any discussion with any of 23 the attorneys before the termination took place? 24 A Did I have any discussion with any of the 25 attorneys before the termination took place; I'm trying to</p>	<p>1 A Were there two separate decision points; 2 there were definitely two separate decision points. We 3 decided to suspend her with pay to make sure we had all of 4 the facts. 5 Q Could you describe what roles this group of 6 yourself, Mr. Fox, Mr. Leckerman, and Miss Sugg -- what 7 role did they have in making the decision to terminate 8 Valerie Hue? 9 A What roles did they have individually -- 10 Q Right. 11 A -- in making the decision. 12 Q Let's start with that. 13 Let's start with Leckerman. What was his 14 role in this? 15 A Leckerman wanted answers as to how this was 16 allowed to happen in the branch. He relied upon the 17 people that work for him to get the answers. 18 Q Okay. 19 A Dina Loft was responsible for gathering the 20 information. She provided all the documentation 21 concerning the items themselves. 22 In that Valerie Hue worked for me directly, I 23 felt very strongly about not wanting a person who had, 24 indeed, falsified records, advised other people -- 25 Q You are a little off track in what I'm trying</p>
Page 162	Page 164
<p>1 think; no. 2 Q Who was involved in the decision to terminate 3 Valerie Hue? 4 A Who was involved in the decision to make -- 5 Q To terminate. 6 A To terminate her; myself, Ted Fox, Steve 7 Leckerman, and Cherie Sugg. Dina Loft was there with 8 information. 9 Q When did you have the discussion about 10 terminating her, was it before the suspension or after the 11 suspension? 12 A Was it before or after or during the whole 13 time; we discussed that that could be the ultimate result. 14 Q Well, at some point you decided she was going 15 to be terminated; right? 16 A At some point we decided she was going to be 17 terminated. 18 Q Was that at the time you decided to suspend 19 her or was it later or was it -- 20 A Was it at the time we decided to suspend her 21 or was it later; I can't say. I think it was all about 22 the same time. 23 Q Was there just one decision, let's suspend 24 her and then terminate her? Was that what happened? Or 25 was there two separate decision points?</p>	<p>1 to ask. I'm really trying to get a sense of who -- in 2 making the decision, did you all have an equal say in it? 3 Did somebody have the final say? Did -- 4 MR. ISRAEL: That's exactly what she was 5 answering. 6 A I was trying to answer you. 7 MR. HOMER: Well, she told me Dina got the 8 information. 9 A Okay. 10 MR. HOMER: I was concerned about this. 11 BY MR. HOMER: 12 Q I'm just trying to find out -- 13 A Who spearheaded it? 14 Q Who had what amount of say in it? 15 A I did. I spearheaded the -- I spearheaded 16 the recommendation that she be terminated, based on all of 17 the facts. Now, that's why it was done in a group manner, 18 to be absolutely certain that everybody concurred. 19 Q What was the rationale for terminating her? 20 A That she violated -- 21 MR. ISRAEL: Wait; wait. 22 THE WITNESS: Go ahead. 23 MR. ISRAEL: It's been asked and answered. 24 Go ahead and tell him again. 25 A Go ahead, all right.</p>

41 (Pages 161 to 164)

Hue vs. NCO Financial Systems

3/16/06 - Kathy Obenshain

Page 165	Page 167
<p>1 She falsified information; she violated the</p> <p>2 rules.</p> <p>3 BY MR. HOMER:</p> <p>4 Q What did you believe Valerie Hue's motivation</p> <p>5 for falsifying the information was?</p> <p>6 A What did I believe Valerie Hue's motivation</p> <p>7 was for falsifying the information; to look good, to put</p> <p>8 the numbers on the board, to produce revenue that, whether</p> <p>9 or not it stuck or not was not her concern; she wanted to</p> <p>10 look good.</p> <p>11 Q When you are talking about falsifying</p> <p>12 information, that goes back to the statement in the</p> <p>13 complaint, correct, that she committed intentional acts of</p> <p>14 wrongdoing which were fraudulent in nature? Is that what</p> <p>15 you are talking about when you say she --</p> <p>16 A She committed intentional acts of wrongdoing</p> <p>17 by -- yes; she told people to redeposit checks without any</p> <p>18 verification process.</p> <p>19 Q Okay.</p> <p>20 A Many people have testified to that.</p> <p>21 Q Before this investigation of Valerie Hue --</p> <p>22 well, strike that.</p> <p>23 Did you ever have any conversations with Mark</p> <p>24 LeFevre about bad checks?</p> <p>25 A Did I have any conversations with Mark</p>	<p>1 A With Eric Shaw about problems with his</p> <p>2 checks; no.</p> <p>3 MR. ISRAEL: Would you like to take a</p> <p>4 break?</p> <p>5 THE WITNESS: No, I'm fine.</p> <p>6 BY MR. HOMER:</p> <p>7 Q Do you know who Matt Lane is?</p> <p>8 A Do I know who Matt Lane is; yes.</p> <p>9 Q Did you have any -- he was terminated at NCO;</p> <p>10 correct?</p> <p>11 A Matt Lane was terminated at NCO; yes.</p> <p>12 Q What was your -- did you have any involvement</p> <p>13 in that termination?</p> <p>14 A Did I have any involvement in that</p> <p>15 termination; yes.</p> <p>16 Q What was your involvement?</p> <p>17 A That was one of the records that was -- that</p> <p>18 was involved in Dina Loft's investigation. And he had</p> <p>19 altered an amount on a -- on a DCI check facts. Valerie</p> <p>20 Hue investigated it. As I recall, Valerie Hue even talked</p> <p>21 to the debtor to make certain -- after -- when I presented</p> <p>22 it to her to determine whether or not Matt Lane had been</p> <p>23 given permission from the debtor to run this DCI, this</p> <p>24 check by phone, for a different amount, and determined</p> <p>25 that that was not the case.</p>
Page 166	Page 168
<p>1 LeFevre about bad checks; yes.</p> <p>2 Q He was a collector in the Dover office;</p> <p>3 correct?</p> <p>4 A Mark LeFevre was a collector in the Dover</p> <p>5 office; correct.</p> <p>6 Q Did he have a problem with bad checks?</p> <p>7 A Did he have a problem with bad checks; I</p> <p>8 can't say that Mark LeFevre had any more problems than</p> <p>9 anybody else in the division, no.</p> <p>10 Mark LeFevre was a high-producing -- very</p> <p>11 high-producing collector.</p> <p>12 Q What was the problem with his bad checks, if</p> <p>13 you recall?</p> <p>14 A What was the problem with his bad checks;</p> <p>15 specifically I don't recall. He had a number of bad</p> <p>16 checks.</p> <p>17 Q You talked to him about it?</p> <p>18 A I talked to him about it. I also talked to</p> <p>19 Valerie about it.</p> <p>20 Q You don't recall what the problem with the</p> <p>21 checks was?</p> <p>22 A Specifically with Mark LeFevre, no, I don't</p> <p>23 recall specifically.</p> <p>24 Q Did you ever have any conversation with Eric</p> <p>25 Shaw about problems with his checks?</p>	<p>1 Q Do you recall that that conversation with the</p> <p>2 debtor was taped and there was a witness to it, Jenny</p> <p>3 Birdsong?</p> <p>4 A Do I recall the conversation was taped; I</p> <p>5 don't recall, but I believe that is the case. I don't</p> <p>6 recall specifically.</p> <p>7 Q Did you approve the firing of Matt Lane?</p> <p>8 A I approved the termination of Matt Lane, with</p> <p>9 the guidance of human resources.</p> <p>10 Q Why did you approve it?</p> <p>11 A Because he falsified records.</p> <p>12 Q I'd like to talk about the bonus and</p> <p>13 commission system that was used at NCO and ask you a few</p> <p>14 questions about that.</p> <p>15 As we understand it in this case, NCO has</p> <p>16 asserted that Valerie Hue was motivated in December of '03</p> <p>17 to put on NSF checks, resubmit them, have them resubmitted</p> <p>18 for the purpose of increasing her bonus, or her</p> <p>19 commission.</p> <p>20 Q What would the bonus be for that?</p> <p>21 MR. ISRAEL: That's a mischaracterization.</p> <p>22 NCO hasn't -- the Defendant hasn't asserted that</p> <p>23 as a position.</p> <p>24 MR. HOMER: Well, I don't know if you want</p> <p>25 to ask her that.</p>

42 (Pages 165 to 168)

Page 1 of 2

belly dance

From: "belly dance" <bellydance12@msn.com>
 To: <steve.leckerman@ncogroup.com>
 Cc: <ted.fox@ncogroup.com>
 Sent: Thursday, January 22, 2004 9:28 AM
 Subject: Valerie Hue

Dear Mr. Leckerman,

First, let me thank you for speaking to me this morning. I am stating for the records that I have not committed fraud nor, was my intent to commit fraud.

1/21 I was placed on suspension with pay due to 2 concerns: Not pulling checks and recreating dci on redips

Not pulling checks: I, as well as my mgt staff were given directives by Kathy on some months not to pull any checks. She would state they need to start working supp right away. I remember this being directed either June or July. This directive was given many different times during my 2 yrs as GCM. When a collector has asked me to pull or move check into next month. I look at where the producer is mtd. Is he sand bagging? Usually that is the case. I wouldn't tell the producer he is sand bagging but, no to his request. There has been hundreds of times when I have pulled check with out the producers okay because of stop pay, etc.

Recreating DCI redips: We had a policy under Phil Weaver that all checks were redipped 2 times automatically. When that policy went away it was mgt discretion on redipping checks. I have a redip policy in my branch with a form that the producer fills out. This form asks for verification method and once it is signed then it is redipped. If that form isn't filled out then it wasn't approved.

My manager, under my direction went to the producers with cash journal in December and discussed nsf if we could redip any checks. The same paper work had to be completed however, I did notice numerous checks were redipped without the form being signed after I returned from vacation. Yes, I should have given Eric clearer direction. The managers and producers always talked together about this. I never advised any producer they HAD to redip a check if we knew there was no chance to recover. If the banks won't verify which is 80% of the time then the decision is made based on that collector gut and discussion with the debtors.

In the beginning mgt were given a directive from upper management that on redipping dci we would have to recreate them with the same check number. I believe there are emails to that effect. That directive was never officially changed by upper management. I have reviewed cash journals from all offices and noticed dci being created on nsf.

Kathy, on the conference call on 1/20/04 did clarify we had to redip the dci not recreate another one. Mac Mackenzie, asked the question on the conference call if dci comes back could we recreate it with same check number. Kathy asked him is that going on in his branch and he stated not as of right now. Yesterday, Kathy stated I was the only branch that recreated checks on dci. I was surprised since she knew Atlanta also had done the same thing. I know there was no fraud attempt as she alleged. The direction that was given wasn't clear by upper management.

Kathy had stated on calls to my office to redip everything except stop pay. I believe this was in June or July.

1/22/2004

C-20

000023

Brian Laiche stated to me that he was upset not bonusing and he redipped many of his checks in Jan or Feb of last year to make a bonus. He said Kathy knew.

I am being disciplined because the direction from upper management was not clear on numerous occasions. I believe I am being singled out for things all gcm have done not because we are stealing but, due to direction that wasn't clear.

My attempt in this email is for you to understand as gcm we have not always had clear direction. I don't deserve to be treated in this manner.

Thank you,

Valerie Hue

*Original
to file*

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IN THE UNITED STATES DISTRICT COURT
OF THE STATE OF DELAWARE
IN AND FOR THE DISTRICT OF DELAWARE

VALERIE HUE

Plaintiff

vs.

Civil Action No.
05-225-KAJ

NCO FINANCIAL SYSTEMS, INC.
a Delaware corporation,
trading as NCO FINANCIAL
COMMERCIAL SERVICES

Defendant

Continuation of the deposition of Valerie
Hue, taken before Genevieve Ritter, a Notary Public and
Registered Professional Reporter, on January 4, 2006 at
1:45 p.m. at 116 West Water Street, Dover, Delaware.

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217-A North DuPont Boulevard
Smyrna, Delaware 19977
302-653-1036

delmarva@prodigy.net

DELMARVA REPORTING
(302) 653-1036

Hue - Israel

1 Q. Yes; is that what you are
2 saying?

3 A. I'm reading the statement.

4 Q. Oh.

5 A. You are asking me a question
6 about that?

7 Q. Yes.

8 At any time did Kathy Obenshain instruct
9 you to redeposit checks without verification of funds?

10 A. If you cannot reach a bank,
11 which is verification of funds, yes.

12 Q. Okay. Did you ever witness
13 Miss Obenshain instruct any other managers to
14 redeposit checks without verification of funds?

15 A. No.

16 Q. I'm talking about in a
17 general meeting, where you would have conference calls
18 with other GCM's and Miss Obenshain. You participated
19 in that?

20 A. Yes.

21 Q. Did she ever say, I want you
22 to redeposit checks without verification of funds?

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Hue - Israel

1 A. She would say, go through
2 and see what you can get on the system, in her normal
3 flip little way.

4 Q. Okay.
5 (Whereupon an off-the-record
6 discussion was held.)

7 BY MR. ISRAEL:

8 Q. Do you believe that Kathy
9 Obenshain had any influence relating to the decision
10 you be discharged?

11 A. Very little.

12 Q. What is the basis of that
13 belief?

14 A. A conversation I had with
15 Kathy.

16 Q. When was this conversation?

17 A. The day before I was
18 suspended.

19 Q. What did Miss Obenshain and
20 you discuss?

21 A. The firing of Matt Lane, the
22 analysis that I had done, and her response to me that

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

VALERIE HUE,)
)
 Plaintiff,)
) Civil Action
 v.) No. 05-225-KAJ
)
 NCO FINANCIAL SYSTEMS, INC., a)
 Delaware corporation, trading as)
 NCO FINANCIAL COMMERCIAL SERVICES,)
)
 Defendants.)

Deposition of MATTHEW HARRISON LANE,
taken pursuant to notice at the law offices of
Parkowski, Guerke & Swayze, 116 West Water Street,
Dover, Delaware, beginning at 12:04 p.m., on
Wednesday, January 4, 2006, before Dale C. Hawkins,
Registered Merit Reporter and Notary Public.

APPEARANCES:

JEREMY W. HOMER, ESQ.
PARKOWSKI, GUERKE & SWAYZE, P.A.
116 West Water Street
Dover, Delaware 19903
for the Plaintiff

DAVID ISRAEL, ESQ.
SESSIONS, FISHMAN & NATHAN, LLP
114 Northpark Boulevard, Suite 10
Covington, Louisiana 70433

-and-

ELIZABETH K. FITE, ESQ.
LAW OFFICES OF ELIZABETH K. FITE, P.A.
15316 North Florida Avenue, Suite 100
Tampa, Florida 33613
for the Defendant

Hawkins Reporting Service
715 North King Street - Wilmington, Delaware 19801
(302) 658-6697 FAX (302) 658-8418

1 Q. Did Ms. Hue ever tell you to do
2 anything wrong at NCO by way of mishandling
3 checks?

4 A. We were instructed to put checks
5 through without speaking to debtors.

6 Q. And that was a violation of the
7 policy that you had been taught?

8 A. Yes.

9 Q. And did Ms. Hue instruct you to
10 put checks through without speaking to the
11 debtor?

12 A. All of the managers, in an effort
13 to achieve a department number.

14 Q. End of month number?

15 A. Right.

16 Q. And was that for as long as you
17 worked there?

18 A. No, not as long as I worked there.

19 Q. Well, if you can remember, you
20 were there a couple of years approximately?

21 A. Right.

22 Q. Was that the rule when you
23 started?

24 A. No.

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(302) 658-6697 FAX (302) 658-8418

1 Q. Tell me the timing of the rule
2 about putting checks on with no confirmation?

3 A. I don't know if I can give a
4 specific date.

5 Q. Let me ask it differently. Were
6 you trained as I thought I understood your
7 testimony that you were not permitted to put a
8 check on without confirming from the debtor that
9 the money was there?

10 A. Correct.

11 Q. At some point, were you instructed
12 by Ms. Hue and/or other managers, and we'll get
13 to which ones, that you were to put checks on
14 without being so -- I'm sorry, without receiving
15 such information from the debtor?

16 A. Yes.

17 Q. And how long after you started
18 working at NCO do you remember the change
19 between your training and the practice?

20 A. I would have to say it was after
21 we received the ability to create checks on the
22 system ourselves.

23 Q. Phone checks?

24 A. Correct.

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Hue v. NCO Financial Systems

/1/06 Depo of ERIC J. Shaw

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

VALERIE HUE,
Plaintiff,

v.) C.A. No.
) 05-225-KAJ
NCO FINANCIAL SYSTEMS, INC., a)
Delaware corporation, trading as)
NCO FINANCIAL COMMERCIAL SERVICES.)
Defendant.

Telephone deposition of ERIC JOHN SHAW,
taken before Cheryl A. Anthony, Court Reporter, in the
law offices of Parkowski, Guerke & Swayze, 116 West
Water Street, Dover, Delaware, on Wednesday, February 1,
2006, beginning at 9:15 a.m.

APPEARANCES:

PARKOWSKI, GUERKE & SWAYZE
BY: JEREMY W. HOMER, ESQUIRE
116 West Water Street
Dover, Delaware 19901
Attorney for Plaintiff.

BY TELEPHONE:

SESSIONS, FISHMAN & NATHAN
BY: DAVID ISRAEL, ESQUIRE
3850 North Causeway Boulevard
Lakeway Two, Suite 1240
Metairie, Louisiana 70002-1752
Attorney for Defendant.

ORIGINAL RETAINED BY JEREMY W. HOMER, ESQUIRE

ANTHONY REPORTING
PO Box 234
Dover, Delaware 19903
(302)674-8884

(Shaw Exhibits Number 1 and 2 were marked
for identification and attached to the record.)

ERIC JOHN SHAW,
the witness herein, having first been
duly affirmed, was examined and
testified as follows:

BY MR. HOMER:

Q. Mr. Shaw, my name is Jeremy Homer. I am the
attorney representing Valerie Hue in this case. I would
like to tell you that if you have any problem
understanding my question, don't answer it. Just ask me
to rephrase it so that you do understand it. Do you
understand that?

A. Yes.

Q. Okay. Is there any reason that you can't
testify today? Because of medication or any other
problem?

A. No.

Q. Okay. Your ability to testify isn't
impaired in any way; is that true? Is it true that
there is no impairment of your ability to testify today?

A. There is no impairment.

Q. Okay. Thank you. And you understand that
you have been placed under oath, that this is a

deposition. And I just want to make sure that you
understand that it is a crime not to tell the truth once
you are under oath. You are aware of all of that, I am
sure. Is that true?

A. Yes.

Q. Okay. Now, this deposition is being taken
by telephone. Is it fair to say that in the room that
you are in right now, it is just you and Mr. Israel?

A. That's correct.

Q. Okay. I would like to advise you that it is
not proper for you to communicate with Mr. Israel in a
way that I can't understand; for example, passing notes,
making facial gestures, that sort of thing. He's not
allowed to coach you regarding your answers. Do you
understand that?

A. Yes.

Q. Okay. Could you state your address and your
phone number, please?

A. My address?

Q. Yes.

A. 2722 Jacqueline Drive, M13 is the apartment
number, and that is in Wilmington, Delaware.

Q. Okay. And your --

A. And the ZIP is 19810.

Q. And your phone number?

A. 302-529-7518.

Q. Okay. Thank you. Can you tell me what you
did to prepare for today's deposition, if anything?

A. I went over some of the problems we had with
the attorney. Pretty much that's about it. There
wasn't that much to it. Basically, we are waiting to
see what you have to say.

Q. Did you review any documents in preparation
for the deposition?

A. Yes.

Q. And which documents did you review?

A. Some of the e-mails.

Q. Can you tell me approximately how many
documents you reviewed?

A. Several.

Q. More than ten?

A. No.

Q. Okay. What is your educational background,
Mr. Shaw?

A. High school and about -- I guess about six
months of college.

Q. Okay. Well, let me ask you, first of all,
since I can't see you, how old are you?

Anthony Reporting (302)674-8884

Hue v. NCO Financial Systems

-/1/06 Depo of Eric J. Shaw

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1 A. I can't answer that. That would be up to
2 the collectors individually.
3 Q. What was your experience? Were you always
4 able to contact the debtor? Or sometimes you weren't
5 able to contact the debtor?
6 A. Personally, you are asking?
7 Q. Yes.
8 A. Well, I never really had too many problems
9 with bad checks. My history of bad checks when I had a
10 check that went bad on myself, I usually contacted the
11 debtor first and then sometimes I would conference the
12 bank and the debtor. That is my normal procedure for
13 myself. Usually, I try to verify with both the debtor
14 and the bank. But I have just really never had that
15 major problem with checks myself.
16 Q. Do you know what happened when the debtor
17 couldn't be contacted and the bank couldn't be
18 contacted? What happened with the resubmission of
19 checks? And I'm talking about the period December 2003.
20 A. They were ran anyway.
21 Q. Okay. And they were all run, or some of
22 them were run?
23 A. Both.
24 Q. Well, it can't be both. Are you telling me

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1 got rerun and what checks didn't get rerun.
2 THE WITNESS: Not in her department.
3 BY MR. HOMER:
4 Q. Okay. Were you in her department before
5 December of 2003?
6 A. As a collector?
7 Q. Yes.
8 A. Yes.
9 Q. And you were under Val Hue for a few years,
10 right?
11 A. Yes.
12 Q. Okay. By the way, were you disciplined for
13 what happened in December of 2003?
14 A. Yes.
15 Q. And what was the discipline?
16 A. I was not allowed to be a manager anymore.
17 I was put back on the collections.
18 Q. Okay. Did Kathy Obenshain ever give you any
19 written or oral instruction regarding what NSF checks to
20 run?
21 A. No.
22 Q. Do you have any knowledge that she
23 instructed other people on the same issue?
24 A. No.

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1 that in some cases checks were run, and in some cases
2 they weren't run?
3 A. Well, I told you originally that some checks
4 were on accounts that were closed or there were stop
5 payments. We did not rerun those.
6 Q. How do you know which checks were rerun?
7 Were you involved in rerunning the checks?
8 MR. ISRAEL: You are talking about December
9 of '03?
10 BY MR. HOMER:
11 Q. I am talking about December of '03, but I am
12 also talking about before that. Were you involved in
13 running NSF checks?
14 A. No.
15 Q. So your only experience with what checks got
16 rerun was in the December 2003 month?
17 A. Was I involved in that decision of what was
18 run, you are saying?
19 Q. Well, involved in knowing what was rerun.
20 MR. ISRAEL: He is asking what experience
21 you had before December of 2003, relating to the running
22 of checks. Is that right?
23 MR. HOMER: Well, I'm asking whether, before
24 December of 2003, he would have knowledge of what checks

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1 Q. Okay. Do you know what happened to the NSF
2 report that you used in December of 2003 to go over the
3 checks with the collectors?
4 MR. ISRAEL: Asked and answered.
5 MR. HOMER: No, he hasn't answered that.
6 MR. ISRAEL: Well, I disagree.
7 But go ahead and answer it again.
8 THE WITNESS: Probably just -- I would say
9 they are probably discarded. Usually, after we do the
10 reports, we just throw them away, as far as paperwork.
11 It's a paper jam.
12 BY MR. HOMER:
13 Q. What did you do with it? Do you recall?
14 A. Usually, just discarded it.
15 Q. Well, I understand that is what you think
16 was the practice. But do you specifically recall what
17 you did with the report when you were done with it?
18 A. After I reviewed the checks, I would --
19 After it was said and done and the month was over with,
20 I would discard the report. We got the same report
21 every month.
22 Q. Did Kathy Obenshain or Ted Fox or anyone
23 else connected with NCO ask for the monthly report that
24 you ran?

Hue v. NCO Financial Systems

2/1/06 Depo of Eric J. Shaw

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1 Q. And when you went through this list in
2 December of 2003 with the collectors, did you see any of
3 these forms filled out?

4 A. Yes.

5 Q. So the collectors did have forms for
6 requesting the redepping of the checks?

7 A. Yes.

8 Q. And on those forms, there would be some
9 explanation of whether they contacted the debtor or not.
10 Is that true?

11 A. Yes.

12 Q. Okay. And did you review the forms when you
13 went over the NSF report with the collectors?

14 A. Yes.

15 Q. And why did you review those forms?

16 A. Again, as I mentioned earlier, I was looking
17 for checks that were either stop payment or the accounts
18 were closed. I wanted to make sure none of those checks
19 were reran myself.

20 Q. Or where there were too many NSFs, correct?
21 Isn't that what you put in your letter?

22 A. Yes.

23 Q. How did you determine if there were too many
24 NSFs?

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1 A. Judgment call.

2 Q. Why was it that you were unwilling to run
3 the check again if there were too many NSFs?

4 A. Could you repeat the question?

5 Q. Why is it that you were unwilling to run the
6 check again if there were too many NSFs?

7 A. In some cases, they might have been put in
8 three or four times. And I just thought -- It was like:
9 Why kill a dead horse? So I stopped it.

10 Q. So based on the number of NSFs, you were
11 afraid they wouldn't clear again? Is that what you were
12 saying?

13 A. I just thought it was overkill.

14 Q. Could you answer my question?

15 A. It was overkill. That's why I didn't run
16 the check.

17 Q. Well, is it because you thought that it was
18 unlikely it would clear again, since they had already
19 gone NSF a number of times?

20 A. It was --

21 Q. Let me finish -- since they had already gone
22 NSF a number of times?

23 A. Yes. But there is a problem here. A lot of
24 those checks went on anyway, because Val made them put

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1 it off.

2 Q. When you did your review in December of
3 2003, you exercised your judgment not to run some of
4 those checks that had already been run several times,
5 correct?

6 A. Yes. But I was told by my boss to put them
7 on anyway.

8 Q. But you didn't?

9 A. In some cases, some of them did go on.

10 Q. All right. So even though your boss that
11 you are loyal to told you to put them all on, you made
12 judgments not to put them on when there were too many
13 NSFs, among other things?

14 A. Yes.

15 Q. I would like you to look now at what has
16 been marked as Exhibit Number 2, Shaw Exhibit Number 2.

17 MR. ISRAEL: Do you want him to read it?

18 MR. HOMER: I just want him to look at it
19 for the time being.

20 MR. ISRAEL: Okay.

21 BY MR. HOMER:

22 Q. First, let's make sure we are looking at the
23 same document. This one is a January 22, 2004 letter

24 from Kimberly Marlow to Ted Fox and Kathy Obenshain,

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1 correct?

2 A. Yes.

3 Q. And down at the bottom of the right-hand
4 corner there is the number 00096, correct?

5 A. Correct.

6 Q. When did you last see this letter before you
7 just got it out today or before just a minute ago?

8 A. I briefly looked at it yesterday. That is
9 the first time I saw it. But I didn't really read it.
10 I just kind of like looked over it.

11 Q. Okay. Have you discussed this letter with
12 anybody?

13 A. No. Like I say, I just briefly looked at it
14 yesterday. I didn't really discuss it.

15 Q. Okay. Looking at the second paragraph of
16 the letter, in the third sentence there it says -- and I
17 will quote this -- then we pulled each collector in one
18 by one and discussed the checks that were to be run and
19 the level of comfort of them.

20 MR. ISRAEL: Well, is it okay if he reads
21 the paragraph first?

22 MR. HOMER: Well, if he needs to.

23 THE WITNESS: Yes, yeah, I would like to.

24 MR. HOMER: Why don't you go ahead and read

Kimberly Marlow

Page 1

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

VALERIE HUE,)	
)	
Plaintiff,)	
)	
v)	
)	Civil Action No.
NCO FINANCIAL SYSTEMS, INC.,)	05-225-KAJ
a Delaware corporation,)	
trading as NCO FINANCIAL)	
COMMERCIAL SERVICES,)	
)	
Defendant.)	

Deposition of KIM MARLOW taken pursuant to notice at the law offices of Parkowski, Guerke & Swayze, P.A., 116 West Water Street, Dover, Delaware, beginning at 9:15 a.m. on Wednesday, March 8, 2006, before Robert Wayne Wilcox, Jr., Registered Professional Reporter and Notary Public.

APPEARANCES:

JEREMY W. HOMER, ESQ.
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Kimberly Marlow

14 (Pages 50 to 53)

Page 50	Page 52
<p>1 A I- the only rule that I know of is a 2 deposit. They would do post dates at the end of the 3 month to make sure that they were going to clear. Now, I 4 do know that that was a policy that the admins were 5 responsible for. But as far as clearing an NSF check, it 6 was primarily up to the collector to do that. But at 7 times we did ask the admins to call the banks. 8 Q. Mm-hmm. 9 A. And I don't recall if that's one of those 10 times or not, to be honest. 11 Q. What do you mean at times? You mean for the 12 whole month or just for specific checks or -- 13 A. No. Just the end of the month run. 14 Q. For the whole run? 15 A. It might not be for the whole run. It might 16 be a couple of checks here or there. 17 Q. Okay. 18 A. It depends on if -- it depends on how busy we 19 were at that point in time. 20 Q. Okay. What did you work from when you brought 21 in the collectors? Did you have some documents you had 22 in hand that you knew were the NSF checks? 23 A. Yes. We would -- there was a spreadsheet that 24 we had actually. I believe that admins put together that</p>	<p>1 then that was a judgment call to the manager. Or you 2 could call the bank and find out if the funds were 3 available. But your policy -- the policy is to call 4 both. You might not get a hold of the bank, and they 5 might not verify. 6 Q. What you said before was that the policy was 7 the collector was to call the debtor for verification 8 even if the bank had already verified. 9 A. Yes. 10 MS. FITE: Jerry, do you mind if we take 11 a break? 12 MR. HOMER: That's fine. 13 (A brief recess was taken.) 14 ----- 15 KIM MARLOW, resumes 16 BY MR. HOMER: 17 Q. Referring back to Exhibit 2, which is your 18 statement to Fox, the last paragraph says, quote, last 19 month before Valerie left for vacation, she gave the 20 directive to Eric Shaw (mid balance manager) and handed 21 him all the cash journals of the collectors that she 22 found multiple NSFs -- and there's a -- I'm not sure if 23 that word is "or not" -- but it goes on and says and told 24 to get them all on, quote/end quote.</p>
Page 51	Page 53
<p>1 spreadsheet. Or we might have as managers. I don't 2 remember at that point in time. And it would list all 3 the NSFs. 4 Q. You don't know whether the admin had already 5 contacted the bank and couldn't get verification for the 6 list of those checks? 7 A. I have no idea. 8 Q. Okay. You don't know whether they did or not? 9 A. I don't know. 10 Q. So you don't really know what the process was. 11 Is that what you're telling me? 12 MS. FITE: Object to form. 13 A. No. I don't know if she helped in that 14 process or not at that point in time. 15 Q. Well, I just want to get this clarified, 16 because before you told me that you had to do both bank 17 verification and debtor verification, but now you're 18 telling me you don't know whether the checks that you got 19 a list of had already been run through the bank 20 verification process and not passed. 21 MS. FITE: Object to form. She said 22 and/or. 23 A. Yeah. I don't believe I said that. I said 24 that you could either have the debtor verify funds. And</p>	<p>1 Do you recall making that statement? 2 A. Yes. 3 Q. Could you tell me, where did you learn that 4 this directive had been given to Mr. Shaw to get them all 5 on? 6 A. That's what he told me. 7 Q. Okay. You don't have independent knowledge of 8 it? You weren't present when he was told to? 9 A. No. 10 Q. Okay. It goes on to say in the letter right 11 after that, "I know this because we were in our morning 12 managers meeting..." What does that mean? Why would you 13 know that because you were in the morning managers 14 meeting? 15 A. Managers meetings we held every morning, and 16 she would give us things to do as per the day goes on. 17 And as she was leaving, she would give me things to do 18 that day, and he would have things to do that day. 19 Q. Okay. All right. Referring again to your 20 statement, Exhibit 2, in the second paragraph, it says, 21 "On a monthly basis, we were given the directive to run 22 checks that we knew were not going to clear the bank." 23 Who does "we" refer to there? 24 A. Our management staff.</p>

Corbett & Wilcox

KENNETH ROSE

Page 1

1 IN THE UNITED STATES DISTRICT COURT

2 FOR THE DISTRICT OF DELAWARE

3 VALERIE HUE,

4 Plaintiff,

5 v.

6 NCO FINANCIAL SYSTEMS, INC.,

7 a Delaware corporation,

8 trading as NCO FINANCIAL

COMMERCIAL SERVICES,

9 Defendant.

Civil Action No.

05-225-KAJ

10 Deposition of KENNETH ALAN ROSE taken
11 pursuant to notice at the law offices of Parkowski,
12 Guerke & Swayze, P.A., 116 West Water Street, Dover,
13 Delaware, beginning at 11:20 a.m. on Wednesday, March 8,
2006, before Robert Wayne Wilcox, Jr., Registered
Professional Reporter and Notary Public.

14 APPEARANCES:

15 JEREMY W. HOMER, ESQ.
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18 ELIZABETH K. FITE, ESQ.
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Tampa, Florida 33613
for the Defendant.

21
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KENNETH ROSE

Page 50

1 Yeah. Collectors would have checks go
 2 on that may not have been qualified.
 3 Q. Was it your understanding that the manager
 4 would have to have known about that for these checks to
 5 go back on?
 6 A. My understanding was that the check couldn't
 7 be redeposited without manager authorization.
 8 MS. FITE: Sorry. That was more than
 9 two questions. That's it.
 10 BY MR. HOMER:
 11 Q. When did Mr. McQuisten tell you that he had
 12 been directed to violate the policy?
 13 A. I couldn't give you a date and time. Again, I
 14 would see fees, you know -- do you know anything about
 15 our business?
 16 Q. Well, I'm learning.
 17 A. Okay. Everything is published -- what you
 18 post every day, what your quota is, where you are, where
 19 you need to get to. So at end of month you pretty much
 20 had an idea where you were. And being competitive as I
 21 am, I like to know where everyone else was.
 22 Q. But you wouldn't have any way of knowing
 23 whether McQuisten had called the debtors like you might
 24 have done at the last minute and called the debtor, got a

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1 hold of them, got verification. Right?
 2 A. If I was that inquisitive, I certainly could
 3 find out, but that wasn't my job. My job was to collect
 4 my money.
 5 Q. So --
 6 A. But I would see things -- fees jump
 7 dramatically.
 8 Q. So you had reason to think that there were
 9 large balance collectors violating the policy?
 10 A. Yes.
 11 Q. Okay. When Mr. Fox talked to you, you chose
 12 not to tell him that, or did you --
 13 A. He didn't ask the question.
 14 Q. Okay. But he was asking you about the NSF?
 15 A. He was asking me about my insufficient funds
 16 checks.
 17 Q. Okay. It didn't occur to you to tell him that
 18 you understood other people were violating the policy?
 19 A. I didn't get asked the question.
 20 Q. Well, you knew he was interested in that
 21 subject, right, when you were talking to him?
 22 A. For the most part, again -- and I'll
 23 restate -- Mr. Fox generally didn't call me, and the
 24 general manager didn't usually call me into his office.

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1 Okay. So I had no reason to expect or, you know, even
 2 understand what the conversation was about. But in
 3 having the conversation, it was very limited, and it
 4 pertained to me. The questions pertained to me.
 5 Q. When you had this information from McQuisten
 6 or maybe others that what you thought the check handling
 7 policy was was being violated, did you think to talk to
 8 your manager about that -- Valerie Hue?
 9 A. You know, for the most part, I kept to myself
 10 and did my job. Okay. My thought as -- and history
 11 dictates, if you violated the policy, ultimately you got
 12 caught.
 13 Q. So the answer would be that you didn't talk to
 14 Valerie Hue about it?
 15 A. No.
 16 Q. It didn't occur to you to talk to her about
 17 it?
 18 MS. FITE: Object to form.
 19 A. Well, I'll answer that.
 20 No, I didn't think to talk to her about
 21 it, because, again, history dictated that if you did
 22 that, if you violated policy, it would come back and bite
 23 you.
 24 Q. So even though it bothered you that maybe

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1 other people were maybe violating the policy --
 2 A. It didn't bother me what they did. That was
 3 their choice. We're all adults. You make your own
 4 decisions.
 5 Q. Okay. I thought you testified before that you
 6 were interested and inquired about this -- that you
 7 didn't like the fact that others were doing it. That's
 8 not the case?
 9 A. You know, my opinion has no bearing. Okay.
 10 And, again, for the most part, in my job I do what makes
 11 me money. And I stay within the policies in order to do
 12 that.
 13 Q. Okay. The fact is you didn't really know
 14 whether someone else was violating a policy or not, did
 15 you?
 16 A. There was some hearsay that policies were
 17 being violated. Okay.
 18 Q. That's all you had, basically?
 19 A. But the thing is that, with that, there was
 20 some perhaps concrete proof when fees would jump at the
 21 end of the month.
 22 Q. Well, wouldn't your fee jump at the end of the
 23 month sometimes?
 24 A. Yes. But with a check that didn't come back.

David McQuisten

Page 1

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

VALERIE HUE,)	
)	
Plaintiff,)	
)	
v.)	
)	Civil Action No.
NCO FINANCIAL SYSTEMS, INC.,)	05-225-KAJ
a Delaware corporation,)	
trading as NCO FINANCIAL)	
COMMERCIAL SERVICES,)	
)	
Defendant.)	

Telephone Deposition of DAVID MC QUISTEN taken pursuant to notice at the law offices of Parkowski, Guerke & Swayze, P.A., 116 West Water Street, Dover, Delaware, beginning at 2:00 p.m. on Thursday, March 23, 2006, before Robert Wayne Wilcox, Jr., Registered Professional Reporter and Notary Public.

APPEARANCES:

JEREMY W. HOMER, ESQ.
PARKOWSKI, GUERKE & SWAYZE, P.A.
116 West Water Street
Dover, Delaware 19903
for the Plaintiff,

ELIZABETH K. FITE, ESQ. (via teleconference)
SESSIONS, FISHMAN & NATHAN, L.L.P.
15316 North Florida Ave - Suite 100
Tampa, Florida 33613
for the Defendant.

ALSO PRESENT: LENNY CICCARONE, NCO

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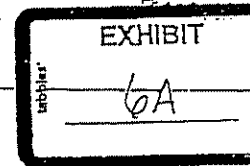
C-35

David McQuisten

13 (Pages 46 to 49)

Page 46	Page 48
<p>1 Q. Okay. Were you disciplined more than one 2 time, if you recall? 3 A. Maybe. I can't remember. I'm sorry 4 Q. Okay. Mr. McQuisten, can you tell me what 5 your earnings were from NCO in the year 2003? 6 MS. FITE: Object to form. 7 A. How much I made? 8 Q. Yes. From NCO. Just a ballpark figure. I 9 know you probably don't remember the exact amount. 10 A. I don't know. \$40,000, 50-. I don't know. 11 30- 12 Q. You don't have a good recollection, I guess. 13 A. 2003? Not off the top of my head, no. 14 Q. Okay. Do you know what you earned in the year 15 2005? 16 A. Yeah. 17 Q. How much was that? 18 A. Gosh, that seems like kind of a private and 19 personal question. 20 Q. Well, I'll assure you that I'm not going to be 21 telling people about this, but it is a relevant fact in 22 the case. 23 MS. FITE: I'd like to note in the 24 record that I have a continuing objection to this line of</p>	<p>1 you answered "integrity"? Is that what you said: 2 Integrity? 3 (The witness provided an unintelligible 4 response) 5 THE REPORTER: I'm sorry. I didn't hear 6 that answer. 7 THE WITNESS: I haven't answered. 8 MR. HOMER: Well, you said something 9 We couldn't hear it 10 MS. FITE: I asked if that was what he 11 said -- "integrity." And he said yes. 12 THE WITNESS: You want to know what I 13 meant by that? 14 MS. FITE: Yes 15 THE WITNESS: I was asked to do 16 something that I thought was a violation of my integrity. 17 BY MR. FITE: 18 Q. What was that? 19 A. I was informed -- let's put it this way -- 20 that something was going to happen that I considered a 21 violation of integrity. 22 Q. I'm asking you what that something was. 23 A. That was to -- well, I informed Ms. Hue, my 24 manager, that a check had to be pulled. We have to pull</p>
Page 47	Page 49
<p>1 questioning. 2 MR. HOMER: I understand. 3 A. So you want me to answer the question how much 4 I made in 2005? 5 Q. Yes. 6 A. 65,000. 64,000, maybe. 7 Q. Okay. My last question, Mr. McQuisten: Have 8 you ever been convicted of a crime? 9 A. DWI. 10 Q. Anything else? 11 A. Motor vehicle violations. 12 Q. Anything else? 13 A. No. I don't believe so. 14 Q. Any crime that would involve honesty? 15 A. Nope. 16 MR. HOMER: Okay. I don't have any 17 other questions. 18 BY MS. FITE: 19 Q. Mr. McQuisten, I'm going to ask you just a 20 couple of questions. 21 Earlier when you were asked whether 22 Ms. Hue had done anything improper, you answered 23 "integrity." Then Mr. Homer went back and asked you to 24 answer it in a yes or no form. What did you mean when</p>	<p>1 this check. The money is not available. And I -- 2 because I was called by the writer of the check advising 3 me that the funds did not come in. Hold that check for 4 another week. And when I filled out a form to hold the 5 check, I was told nothing is being held. They're 6 running. You just have to make it up next month. 7 Q. Ms. Hue told you that nothing is being held? 8 A. Correct. 9 Q. Your understanding of nothing is being held 10 means that everything that's on is going to run 11 regardless of whether or not the funds are verified? 12 A. Well, yeah. Let's -- let me refer to 13 everything. We're talking one check. I want to pull the 14 check. The check is not getting pulled. The check is 15 running. 16 Q. Do you remember her saying that nothing was 17 being pulled? 18 A. Yeah, yeah. Whether it was the exact word 19 "nothing" -- but, yeah, that's what it was. 20 Q. Is it your understanding that that is a 21 violation of NCO's policy? 22 A. Absolutely. 23 Q. Did Ms. Hue ask you at that point whether you 24 were just trying to sandbag?</p>

08/28/2004 10:41 FAX



State of Louisiana
County of Jefferson

SWORN STATEMENT OF BRIAN LAICHE

I, Brian Laiche, hereby confirm under oath the following:

1. I am employed by NCO Financial Systems, Inc. (NCO) and have worked at NCO since MARCH 1, 1994. I am currently a manager in the Commercial Division in Metairie, LA.
2. At no time did Kathy Obenshain, former vice president of operations for the Commercial Division, instruct me to re-deposit checks without verification of funds. Such conduct is a known violation of NCO check handling policies.
3. At no time did I witness Ms. Obenshain instruct Valerie Hue to re-deposit checks without verification of funds.
4. It has always been Kathy Obenshain's policy and direction that unless there was verification of funds available, no non-sufficient funds (NSF) checks should be re-deposited.
5. It is known that fraudulently violating NCO's check handling policies would result in termination.
6. I have provided this sworn statement of my own free will and the information contained in this statement is accurate to the best of my knowledge and belief.

READ NCO MAIL FILE 506, Valerie's Correspondence & Sworn Statement Laiche.doc


Brian Laiche

6/28/04
Date

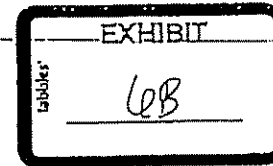
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NCO FINANCIAL SYSTEMS

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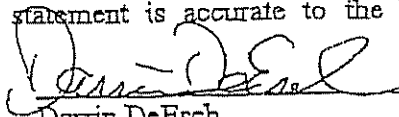
State of Louisiana
County of Jefferson



SWORN STATEMENT OF DARRIN DEESCH

I, Darrin DeEsch, hereby confirm under oath the following:

1. I am employed by NCO Financial Systems, Inc. (NCO) and have worked at NCO since April 13, 1998. I am currently a General Manager in the Commercial Division in Metairie, LA as director of NCO's commercial legal management division and financial investigative services division.
2. At no time did Kathy Obenshain, former vice president of operations for the Commercial Division, instruct me to re-deposit checks without verification of funds. Such conduct is a known violation of NCO check handling policies.
3. At no time did I witness Ms. Obenshain instruct Valerie Hue to re-deposit checks without verification of funds.
4. It has always been Kathy Obenshain's policy and direction that unless there was verification of funds available, no non-sufficient funds (NSF) checks should be re-deposited.
5. It is known that fraudulently violating NCO's check handling policies would result in termination.
6. I have provided this sworn statement of my own free will and the information contained in this statement is accurate to the best of my knowledge and belief.


Darrin DeEsch Date 6/22/04

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NCO FINANCIAL SYSTEMS + SESSION

002

EXHIBIT

6C

State of Oregon

County of WASHINGTONSWORN STATEMENT OF STEVE ROSS

I, Steve Ross, hereby confirm under oath the following:

1. I am employed by NCO Financial Systems, Inc. (NCO) and have worked at NCO since 1/27/97. I am currently a Branch Mgr. in the Commercial Division in Portland, Oregon.
2. At no time did Kathy Obenshain, former vice president of operations for the Commercial Division, instruct me to re-deposit checks without verification of funds. Such conduct is a known violation of NCO check handling policies.
3. At no time did I witness Ms. Obenshain instruct Valerie Hue to re-deposit checks without verification of funds.
4. It has always been Kathy Obenshain's policy and direction that unless there was verification of funds available, no non-sufficient funds (NSF) checks should be re-deposited.
5. It is known that fraudulently violating NCO's check handling policies would result in termination.
6. I have provided this sworn statement of my own free will and the information contained in this statement is accurate to the best of my knowledge and belief.


 Steve Ross

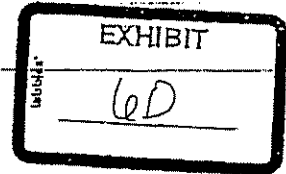
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08/22/2004 09:20 FAX

001



State of GEORGIA
 County of Fulton

SWORN STATEMENT OF CHRIS SANTASIERO

I, Chris Santasiero, hereby confirm under oath the following:

1. I am employed by NCO Financial Systems, Inc. (NCO) and have worked at NCO since October 9, 2000. I am currently a MANAGER in the Commercial Division in ATLANTA GEORGIA.
2. At no time did Kathy Obenshain, former vice president of operations for the Commercial Division, instruct me to re-deposit checks without verification of funds. Such conduct is a known violation of NCO check handling policies.
3. At no time did I witness Ms. Obenshain instruct Valerie Hue to re-deposit checks without verification of funds.
4. It has always been Kathy Obenshain's policy and direction that unless there was verification of funds available, no non-sufficient funds (NSF) checks should be re-deposited.
5. It is known that fraudulently violating NCO's check handling policies would result in termination.
6. I have provided this sworn statement of my own free will and the information contained in this statement is accurate to the best of my knowledge and belief.

Chris Santasiero
 Chris Santasiero

6-22-04
 Date

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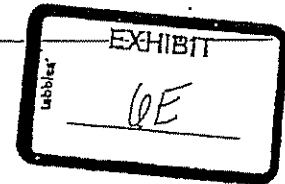
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NCO GROUP

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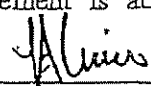
State of Colorado
County of Arapahoe



SWORN STATEMENT OF LENNY CICCARONE

I, Lenny Ciccarone, hereby confirm under oath the following:

1. I am employed by NCO Financial Systems, Inc. (NCO) and have worked at NCO since January 25, 1995. I am currently the managing director in the Commercial Division in Denver, Colorado.
2. At no time did Kathy Obenshain, former vice president of operations for the Commercial Division, instruct me to re-deposit checks without verification of funds. Such conduct is a known violation of NCO check handling policies.
3. At no time did I witness Ms. Obenshain instruct Valerie Hue to re-deposit checks without verification of funds.
4. It has always been Kathy Obenshain's policy and direction that unless there was verification of funds available, no non-sufficient funds (NSF) checks should be re-deposited.
5. It is known that fraudulently violating NCO's check handling policies would result in termination.
6. I have provided this sworn statement of my own free will and the information contained in this statement is accurate to the best of my knowledge and belief.


Lenny Ciccarone

6/22/04
Date

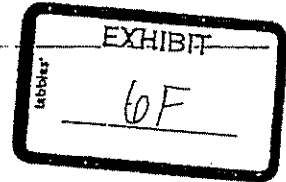
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NCO FINANCIAL SYSTEMS

002/002



State of Florida

County of HillsboroughSWORN STATEMENT OF MANNY CARDOZO

I, Manny Cardozo, hereby confirm under oath the following:

1. I am employed by NCO Financial Systems, Inc. (NCO) and have worked at NCO since 02/21/2001. I am currently a BRANCH MANAGER in the Commercial Division in Tampa, FL.
2. At no time did Kathy Obenshain, former vice president of operations for the Commercial Division, instruct me to re-deposit checks without verification of funds. Such conduct is a known violation of NCO check handling policies.
3. At no time did I witness Ms. Obenshain instruct Valerie Hue to re-deposit checks without verification of funds.
4. It has always been Kathy Obenshain's policy and direction that unless there was verification of funds available, no non-sufficient funds (NSF) checks should be re-deposited.
5. It is known that fraudulently violating NCO's check handling policies would result in termination.
6. I have provided this sworn statement of my own free will and the information contained in this statement is accurate to the best of my knowledge and belief.

Manny Cardozo 06/24/04
Manny Cardozo Date

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NCO AZ

002

EXHIBIT

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66

State of Arizona
County of Pima

SWORN STATEMENT OF JOE BATIE

I, Joe Batie, hereby confirm under oath the following:

1. I am employed by NCO Financial Systems, Inc. (NCO) and have worked at NCO since January 3, 1991. I am currently the Managing Director in the Commercial Division in Tucson, Arizona.
2. At no time did Kathy Obenshain, former vice president of operations for the Commercial Division, instruct me to re-deposit checks without verification of funds. Such conduct is a known violation of NCO check handling policies.
3. At no time did I witness Ms. Obenshain instruct Valerie Hue to re-deposit checks without verification of funds.
4. It has always been Kathy Obenshain's policy and direction that unless there was verification of funds available, no non-sufficient funds (NSF) checks should be re-deposited.
5. It is known that fraudulently violating NCO's check handling policies would result in termination.
6. I have provided this sworn statement of my own free will and the information contained in this statement is accurate to the best of my knowledge and belief.



Joe Batie

6/22/04
Date

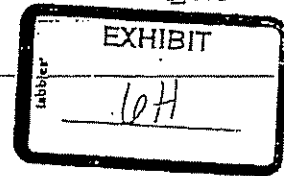
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NCO FINANCIAL SYSTEMS

002



State of Delaware

County of KentSWORN STATEMENT OF MIKE SCHER

I, Mike Scher, hereby confirm under oath the following:

1. I am employed by NCO Financial Systems, Inc. (NCO) and have worked at NCO since June 1992. I am currently a General Manager in the Commercial Division in Dover, Delaware.
2. At no time did Kathy Obenshain, former vice president of operations for the Commercial Division, instruct me to re-deposit checks without verification of funds. Such conduct is a known violation of NCO check handling policies.
3. At no time did I witness Ms. Obenshain instruct Valerie Hue to re-deposit checks without verification of funds.
4. It has always been NCO's policy and direction that unless there was verification of funds available, no non-sufficient funds (NSF) checks should be re-deposited.
5. It is known that fraudulently violating NCO's check handling policies would result in termination.
6. I have provided this sworn statement of my own free will and the information contained in this statement is accurate to the best of my knowledge and belief.

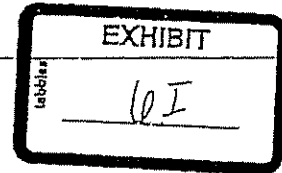

Mike Scher6/24/04
Date

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Jun-24 04 06:22p

p. 2



State of Louisiana
County of Jefferson

SWORN STATEMENT OF JOE THOMAS

I, Joe Thomas, hereby confirm under oath the following:

1. I am employed by NCO Financial Systems, Inc (NCO) and have worked at NCO since September 2000. I am currently a GCM in the Commercial Division in Metairie, LA handling commercial matters arising out of NCO's Boone, NC office.
2. At no time did Kathy Obenshain, former vice president of operations for the Commercial Division, instruct me to re-deposit checks without verification of funds. Such conduct is a known violation of NCO check handling policies.
3. At no time did I witness Ms. Obenshain instruct Valerie Hue to re-deposit checks without verification of funds.
4. It has always been Kathy Obenshain's policy and direction that unless there was verification of funds available, no non-sufficient funds (NSF) checks should be re-deposited.
5. It is known that fraudulently violating NCO's check handling policies would result in termination.
6. I have provided this sworn statement of my own free will and the information contained in this statement is accurate to the best of my knowledge and belief.

Joe Thomas

6-24-09
Date

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000109

State of Louisiana
County of Jefferson



SWORN STATEMENT OF KATHY OBENSHAIN

I, Kathy Obenshain, hereby confirm under oath the following:

1. I was employed by NCO Financial Systems, Inc. (NCO) and worked at NCO from December 1, 1994 to April 19, 2004 as the vice president of operations in the Commercial Division.
2. As the vice president of operations in the Commercial Division, I had consistent contact with Valerie Hue as her superior.
3. At no time did I instruct any branch manager, including Ms Hue, to re-deposit checks without verification of funds. Such conduct is a known violation of NCO check handling policies.
4. As a result of a routine monthly audit, a large number of non-sufficient funds checks were found in Ms. Hue's department. A fact-finding investigation by Corporate Employee Relations and my department was completed, which revealed Ms. Hue was violating NCO's check handling policies.
5. I have provided this sworn statement of my own free will and the information contained in this statement is accurate to the best of my knowledge and belief.

Kathy Obenshain
Kathy Obenshain

Jan 24 2004
Date

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000110

HUE v. NCO Financial Systems

1/31/06 Depo of Dina B. Shaantiel

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWAREVALERIE HUE,
Plaintiff,

)
) C.A. No.
) 05-225-KAJ
)
NCO FINANCIAL SYSTEMS, INC., a)
Delaware corporation, trading as)
NCO FINANCIAL COMMERCIAL SERVICES.)
Defendant.)

Deposition of DINA BETH SHAANTIEL, taken
before Cheryl A. Anthony, Court Reporter, in the
conference room of NCO Financial Commercial Services,
Prudential Drive, Horsham, Pennsylvania, on Tuesday,
January 31, 2006, beginning at 1:15 p.m.

APPEARANCES:

PARKOWSKI, GUERKE & SWAYZE
BY: JEREMY W. HOMER, ESQUIRE
116 West Water Street
Dover, Delaware 19901
Attorney for Plaintiff

SESSIONS, FISHMAN & NATHAN
BY: DAVID ISRAEL, ESQUIRE
3850 North Causeway Boulevard
Lakeway Two, Suite 1240
Metairie, Louisiana 70002-1752
Attorney for Defendant

ORIGINAL RETAINED BY JEREMY W. HOMER, ESQUIRE

ANTHONY REPORTING
PO Box 234
Dover, Delaware 19903
(302)674-8884

DINA BETH SHAANTIEL,

the witness herein, having first been
duly affirmed, was examined and
testified as follows:

BY MR. HOMER:

Q. Good afternoon. My name is Jeremy Homer.
I am the attorney representing Valerie Hue in this case.
Could you first state your name again?

A. It's Dina Beth Shaantiel.

Q. Okay. At one time did you go by the name of
Dina Loft, L-O-F-T?

A. Yes.

Q. Could you explain why you changed -- First
of all, could you explain during what time period you
used that name, Dina Loft?

A. I have been using Dina Loft since I went
into the collection industry back in 1985 as an alias.

Q. And when did you change it to your present
name?

A. About a year, year and a half ago, give or
take, NCO required everybody to stop using their aliases
and start using our real names.

Q. I may refer to you as Dina Loft or Ms. Loft
during the course of this, only because I don't feel I

can pronounce your name correctly. So please bear with
me when I do that.

I would like to instruct you that if I ask a
question today that you don't understand, I would ask
you not to try to answer, but instead ask me to rephrase
it so that you do understand it. Do you understand
that?

A. Yes.

Q. Okay. Is there any reason why your ability
to answer today would be impaired in any way? For
example, have you had any medication?

A. No. I'm fine.

Q. Okay. And there isn't any other reason why
you can't testify today?

A. No.

Q. Okay. Do you understand that this is a
deposition, that you are under oath, that it is a crime
not to tell the truth, and that you do need to make your
best efforts to tell the truth?

A. I understand.

Q. Okay. What is your educational background?

A. I went to high school, college.

Q. Okay. Where did you go to college?

A. Johnson & Wales.

Q. Where is that?

A. Providence, Rhode Island.

Q. Okay. When did you graduate?

A. I didn't graduate from there. I did a
two-year program.

Q. Okay. What was the program in?

A. Culinary arts and business administration.

Q. Okay. And you got a degree there? A
two-year degree?

A. Back then they didn't have a two-year
degree. Back then it was a certificate of completion.

Q. Okay. Could you relate your work history,
going back to the time you began the collection
business? And if you could, identify each job you have
had, approximately what dates you had that job, and, if
you could, just briefly describe what your duties were.

A. I started in I want to say '83, working in
Florida for a collection agency as a collector, called
Credit Control.

Q. Okay. How long were you there?

A. Oh, I want to say -- Was it '82 or '83? I'm
sorry. I want to say somewhere in '83 to '85, and I at
that time did part-time work for a mortgage company at
night as a collector, also. And then from there, I came

In re v. NCO Financial Systems

1/31/06 Depo of Dina B. Shaantiel

13

1 deposits of checks.

2 Q Okay. Well, with respect to the commercial
3 ops programming, it says at the top, this is the policy
4 for NSF checks. Are you saying that this policy didn't
5 apply to all of the commercial ops?

6 A. This policy applied at this time for them.
7 This was before my time with commercial.

8 Q Okay. What did Laura Harkinson and her
9 group do with these requests once they were received?

10 A. To the best of my knowledge, Laura Harkinson
11 was a cash posting clerk. She would take an e-mail and,
12 based on what the e-mail was, either post or destroy a
13 check, to my knowledge.

14 Q Okay.

15 A. But again, I was not involved at that time
16 with this.

17 Q. And what request is being made here, to your
18 understanding? In the second bullet point, what is the
19 request --

20 A. You have several here. Which one are you
21 referring to?

22 Q. I'm talking about the one in bullet point
23 two.

24 A. Requests should be e-mailed to Laura

15

1 that, and that would be -- if it's not within that time
2 frame, you cannot redeposit the check.

3 Q Okay. And that policy is stated in this
4 Exhibit 1, correct?

5 A. Right here.

6 Q. At the third bullet point, that is what that
7 is saying; is that correct?

8 A. Uh-huh.

9 MR. ISRAEL: You have to say yes.

10 THE WITNESS: I'm sorry. Yes. I am sorry.

11 MR. ISRAEL: That is okay. You are doing
12 good.

13 BY MR. HOMER:

14 Q. So a clerk would get a request. Who would
15 submit the request? Do you know?

16 A. I apologize; I do not know who requested

18 Q. Would it be collectors? Do you know?

19 A. I don't know. I really don't want to answer
20 a question I don't have information on.

21 MR. ISRAEL: I don't know is fine. There is
22 no rush. She has all day.

23 BY MR. HOMER:

24 Q. What was your involvement in 2003 in

14

1 Harkinson.

2 Q. Yes. What kinds of requests are they
3 talking about there?

4 A. I wasn't a part of this at that time, so I
5 was not involved and I wouldn't want to give you an
6 exact answer.

7 Q. Okay. Do you know what the third bullet
8 point is, requests for redeposits can only be made for
9 NSF items processed within the past 30 days?

10 A. Repeat that question.

11 Q. Well, just read the third bullet.

12 A. Request for redeposits can only be made for
13 NSF items processed within the past 30 days (time frame
14 provided by executives).

15 MR. ISRAEL: I think he's asking: Do you
16 know what that means?

17 MR. HOMER: Yes.

18 THE WITNESS: Yes. I do know what that
19 means.

20 BY MR. HOMER:

21 Q. Okay. What does that mean?

22 A. Anytime we have a check that is returned
23 NSF, we have 30 days to make that same check good. We
24 have to go through a verification process before we do

16

1 reviewing NSF requests, if you had any involvement at
2 all?

3 A. Steve Leckerman came to me in I want to say
4 sometime early October, maybe September, October. And
5 he said to me that he wanted me to start reviewing all
6 the NSFs across the board.

7 Q. Who is Steve Leckerman?

8 A. Steve Leckerman is the senior vice president
9 of operations.

10 Q. Did he explain why he wanted to do that?

11 A. He explained that he wanted to make sure
12 that we were following policy and that we were putting
13 good money in and we weren't chasing bad money.

14 Q. Okay. Did he explain anything else about
15 why he was doing it?

16 A. I don't recall.

18 doing this, or did you work independent?

19 A. I worked independent.

20 Q. Okay. And did you review the NSF requests
21 to see if they complied with this policy that is in
22 Exhibit 1?

23 A. I did not go by this specific set of
24 details. I went with the details that were given to me

45

1 A. Different offices.

2 Q. When you prepared this report for January,
3 do you know how many collectors you reviewed at that
4 point?

5 A. At this point in here?

6 Q. Yes.

7 A. We had reviewed the complete commercial
8 file, I think. I mean 90 -- I'm almost 100 percent sure
9 we went through all of commercials for that time frame.

10 Q. Well, I thought you had said before that by
11 the end of December, you were crying for help, that you
12 couldn't get through it, and you mentioned only four
13 that you had gone through, Baltimore, Buffalo, AmEx, and
14 one other.

15 A. Right. This is the February report. We did
16 this in January.

17 Q. I understand that. You are saying that in
18 the next month, you finished all the rest of them in
19 January 2004? You only had four done by the end of
20 December. And then in January, you got everything else
21 done in the commercial division?

22 MR. ISRAEL: Can we go off the record for a
23 second?

24 (Following a discussion off the record:)

47

1 MR. ISRAEL: You are 99 percent sure?

2 THE WITNESS: Yes.

3 BY MR. HOMER:

4 Q. Let's get back to Exhibit 2. It says all
5 the checks were returned.

6 MR. ISRAEL: Still on that first block?

7 MR. HOMER: Right.

8 BY MR. HOMER:

9 Q. What time period are you talking about
10 there?

11 A. I reviewed the checks from the end of
12 December through the middle of January.

13 Q. And you say at the end of December. Do you
14 mean December 31st or --

15 A. No. I would say from the 15th, give or take
16 a few days.

18 the collectors you were looking at in that one-month
19 period, December 15th to January 15th?

20 A. I would say that would be true.

21 Q. Okay. It says here that Valerie Hue put
22 through the checks. Again, I'm referring to Exhibit 4.

23 A. Absolutely.

24 Q. How do you know she put through the checks?

46

1 BY MR. HOMER:

2 Q. Let's back up a little bit. When did you
3 start reviewing, pursuant to Mr. Leckerman's directive,
4 the commercial offices and the collector practices
5 regarding redepping NSF checks?

6 A. It was the beginning of the year.

7 Q. January?

8 A. Yes, sir.

9 Q. Okay. January of 2004, you are talking
10 about?

11 A. Yes.

12 Q. Okay. And when did you complete that
13 review?

14 A. In the month of January.

15 Q. Okay.

16 MR. ISRAEL: You believe?

17 THE WITNESS: I believe.

18 BY MR. HOMER:

19 Q. You are not sure about that? Apparently
20 not. Is that true? You are not sure?

21 MR. ISRAEL: By the time we are done, you
22 won't be sure of anything.

23 THE WITNESS: I have to tell you, give me a
24 rubber band.

48

1 A. At the time I didn't know it was Valerie
2 Hue, until I actually did the final report. I went by
3 user code. At that time I only identified user codes.
4 And then I went through and I was able to get the
5 information, what user code related to what person to
6 identify what went on the report.

7 Q. Can you find the specific checks that she
8 put through that you claim or you indicate here were
9 returned? Can you find those checks?

10 A. Not today.

11 Q. Well, can you find them?

12 A. I can get access to them.

13 Q. Okay. Do you have any way of knowing
14 whether someone else might have used her user code when
15 the checks were put through?

16 A. To my knowledge, nobody uses anybody's user

18 (A recess was taken from 2:14 p.m. until
19 2:18 p.m.)

20 BY MR. HOMER:

21 Q. What documentation have you kept to show
22 that the authorization procedures weren't followed and
23 that people put these checks through that were returned?

24 What do you have in terms of records that show it?

DATE OF CHECK	Collector Name	A/C #	Root of Problem collector/cash debtor	Unit	Check Amount	Explanation
12/26/2003	william callett	S78713	collector/debtor	A11	-5930.43	1st bounce was nevered made up w cert funds
12/31/2003	william callett	R95152	collector	A11	-3221	debtor said no my on 12/12 ck should of pulled
12/31/2003	william callett	T03297	debtor	A11	-3000	no money
12/31/2003	william callett	S92674	collector	A11	-1020.65	debtor told collector funds no good
12/31/2003	slave troxell	S57063	debtor	A20	-2500	no money
12/31/2003	slave troxell	R19352	debtor	A20	-2500	stop pay
12/31/2003	slave troxell	R83936	debtor	A20	-1000	no money
12/30/2003	mitchelle glidden	R01080	debtor	A21	-1500	no money
12/31/2003	keith bryant	S78635	collector/debtor	A3	-2744.03	my flu to see if roller recd
12/31/2003	keith bryant	T35950	collector/debtor	A3	-2529.73	d called to pull ck same day
12/31/2003	keith bryant	S13415	collector/debtor	A3	-1800	had nsf should of made up w cert
12/31/2003	claudie jones	T04496	debtor	A32	-2225.86	no money
12/24/2003	harold moore	Q97254	debtor	A37	-3044.6	no money
12/24/2003	kevin brown	T16561	debtor	A43	-1051.73	no money
12/31/2003	ellis pheips	A68860	debtor	A53	-5000	no money null nsf
12/31/2003	ellis pheips	S42563	debtor	A53	-2000	no money
12/31/2003	ellis pheips	T14389	debtor	A53	-1718	no money
12/26/2003	ellis pheips	A68860	debtor	A53	-1000	no money null nsf
12/29/2003	julie rees	R49535	collector/debtor	A63	-3011.8	money was in the hosp
12/30/2003	julie rees	R87439	debtor	A63	-3369.61	debtor is client

0009944

12/31/2003	david Kornahrens	T07557	collector	B59	-2500	mult nsf redcl w/o cl ck
12/29/2003	david Kornahrens	S47763	debtor	B59	-1000	mult nsf
12/31/2003	bob feger	S98456	debtor	B6	-1220	no money
12/30/2003	walter theodore	S64627	debtor	B62	-1000	verf bank good for 1 pul 2 cks in poss rensf
12/30/2003	linda costa	S09348	debt	B63	-2845	no money
12/30/2003	linda costa	S63272	debt	B63	-1682	accounting issue
S21335	steven birdsong	S21335	collector	D1	-1813	collector ran ck - funds no verf
12/29/2003	raymond mortison	673686	debtor	D17	-2500	no money
12/30/2003	dantae ramirez	T16568	debtor	D19	-1166.58	no money
12/31/2003	dantae ramirez	R07882	collectr/mgr	D19	-1000	redcl w/o contact
12/31/2003	BRAD REAVES	R06156	collector	D22	-7000	nvr recd authrzn from cl eom
12/31/2003	BRAD REAVES	S51306	collector	D22	-3435.5	nvr recd authrzn from cl eom
12/31/2003	BRAD REAVES	S61306	collector	D22	-3400	nvr recd authrzn from cl eom
12/31/2003	BRAD REAVES	T32974	debtor	D22	-2401.46	no money
12/31/2003	BRAD REAVES	T20071	collector	D22	-2030	nvr recd authrzn to del ck
12/29/2003	BRAD REAVES	S98825	collector	D22	-2000	knew no money nvr pulled ck
12/31/2003	BRAD REAVES	S98825	collector	D22	-2000	knew no money nvr pulled ck
12/31/2003	BRAD REAVES	S42285	collector	D22	-2000	change posttale then document to do so
12/31/2003	BRAD REAVES	T38089	?	D22	-1500	documents no clear
1/5/2004	BRAD REAVES	S85602	collector	D22	-1071.18	d was sending mo mult nsf
12/24/2003	BRAD REAVES	S85602	collector	D22	-1000	d was sending mo mult nsf
12/31/2003	BRAD REAVES	R72202	collector	D22	-1000	colclr knew cl was sending mo ck should have been pull
12/29/2003	KEN ROSE	S94552	COLLECTOR	D29	-6500	notes don't add up
12/31/2003	KEN ROSE	T11659	collector/client	D29	-5000	notes show pending client ck
12/29/2003	KEN ROSE	S27200	collector	D29	-1982	should of pulled mult nsf-should of pulled

001025

12/31/2003	joe glaquento	R74588	collector	D31	-2583.21	2nd dci no contact or authorizin
12/30/2003	joe glaquento	T09615	debtor	D31 ck	-2459.94	no money
12/31/2003	joe glaquento	T22837	cash	D31	-1202.05	ck was changed date to 2nd ran
12/29/2003	joe glaquento	S95774	debtor	D31	-1112.13	on 31st no money
12/31/2003	dan maddox	Q93881	collector	D36	-22879.82	knew aba wrong got correct info and nvr put in also had date change
12/31/2003	david dunham	S97141	collector	D43	-2034.01	nvr called debtor after 1st bounce
12/31/2003	david dunham	T15855	collector	D43	-1062.5	no contact w d l then dci
12/30/2003	david dunham	S07157	collector	D43	-1000	no money
12/31/2003	SCOTT RAULSTON	D95575	collector/debtor	D48	-4000	no money - funny notes
12/30/2003	SCOTT RAULSTON	R40912	debtor	D48	-1500	no money
12/31/2003	SCOTT RAULSTON	S80592	debtor	D48	-1050.74	funny notes
12/31/2003	matt lane	S28434	collector	D60	-7500	no contact after 1st bounce then redci
12/31/2003	matt lane	S13617	collector	D60	-5000	no contact after 1st bounce then redci
12/31/2003	matt lane	R21037	collector	D60	-4325	no contact after 1st bounce then redci
12/30/2003	matt lane	S54986	collector	D60	-4000	ck was a pull
12/31/2003	matt lane	S70944		D60	-3023.5	no contact after 1st bounce then redci
12/30/2003	matt lane	R83502	collector	D60	-1000	no contact after 1st bounce then redci
12/24/2003	mark lefevre	T13335	debtor	D70	-14045	no money
12/31/2003	mark lefevre	Q71642	collector	D70	-14000	1st ck bounce debtor then told collector ck no good till the 10th collector put ck in on the 2nd

12/31/2003	mark lefevre	T14251	collector/debtor	D70	-6617.79	1st bounce then redcl funky docs
12/30/2003	mark lefevre	S51701	collector	D70	-1745.62	no contact w debtor only im
12/31/2003	Joseph dunning	S11960	collector	D75	-1000	no contact w debtor only im
12/30/2003	david mcquisten	684902	collector/debtor	D79	-15000	unable to verf funds 2nd time
12/31/2003	david mcquisten	Q83571	collector/mgt	D79	-12000	redip per mgt no funds per notes
12/31/2003	david mcquisten	S15764	collector	D79	-8000	mult nsf
12/31/2003	david mcquisten	667976	collector	D79	-4373.34	1st ck nsf no real contact redcl
12/31/2003	david mcquisten	S47717	collector/mgt	D79	-3778.06	ok bounce
12/31/2003	david mcquisten	S95738	collector	D79	-3000	mult nsf
12/30/2003	david mcquisten	T32522	collector	D79	-2500	dcf done w/o authrzn
12/30/2003	david mcquisten	P96886	collector	D79	-1600	redcl w/o authrzn just verf w bank
12/31/2003	david mcquisten	R92555	collector	D79	-1500	- call'd next day and was then told
12/31/2003	david mcquisten	R37489	collector/mgt	D79	-1366.86	mult data changes mult nsf
12/31/2003	mike kralj	892388	collector	F11	-2000	mult nsf
12/30/2003	St. Clair Carr	Q72441	collector	F21	-1000	dcf error
12/30/2003	Jon Tapla	D32616	debtor	F51	-5000	collector told debtor to do a stop
12/31/2003	Trenice Harris	Q78786	debtor	F65	-2000	pmnt
12/31/2003	Bruce Richardson	S16784	debtor	F93	-2000	no money
12/30/2003	Storm McIntyre	Q83584	debtor	M1	-3000	no money
12/31/2003	Brian Dennis	S16508	debtor/collector	M2	-12000	attny sd he would fed-ex ck - ck's
						were dcl'd

001123

12/31/2003	julie rees	S09400	collector/debtor	A63	-1000	no money/mult nsf
12/31/2003	david dubery	T23443	debtor	A73	-1785.33	no money
12/31/2003	lori clark	T08940	debtor	A75	-4105	client issues
12/30/2003	lori clark	S25862	debtor	A75	-2800.43	no money
12/29/2003	lori clark	T13849	debtor	A75	-2898.42	no money
12/31/2003	lori clark	T03384	debtor	A75	-2524.43	no money
12/31/2003	lori clark	T20759	debtor	A75	-2030	no money
12/31/2003	lori clark	T20248	debtor	A75	-1000	no money mult nsf
12/31/2003	lori clark	T20248	debtor	A75	-1000	no money mult nsf
12/31/2003	craig cavalcante	R63632	debtor	A76	-18997.6	debtor called no good same day
12/31/2003	craig cavalcante	T34793	debtor	A76	-16176.62	del-name error made good b/c
12/31/2003	craig cavalcante	T07888	collector	A76	-12577.13	look cc decline no contact took
12/31/2003	craig cavalcante	T20414	debtor	A76	-7333.09	clk
12/31/2003	craig cavalcante	S85957	debtor	A76	-1937.67	no money
12/31/2003	craig cavalcante	T12150	collector	A76	-1274	changed bank accounts w/o
12/30/2003	craig cavalcante	T01868	debtor	A76	-1251.37	no money
12/31/2003	frank ort	S60834	debtor	A77	-18935.94	bank hold of funds
12/31/2003	frank ort	T15748	debtor	A77	-3600	no money
12/31/2003	frank ort	T06799	debtor	A77	-3589.86	no money
12/31/2003	frank ort	Q61567	collector	A77	-1753.47	nvr made up 1st nsf or contact w
12/29/2003	frank ort	D42544	debtor	A77	-1500	debtor
12/31/2003	frank ort	R83014	collector	A77	-1004.97	no money
12/24/2003	jessie montoro	S27322	debtor	A82	-3857.73	nvr made up 1st nsf or contact w
12/24/2003	jessie montoro	R88627	debtor	A82	-3695.3	nvr made up 1st nsf or contact w
12/31/2003	tom ventrone	R25366	collector/debtor	B67	-1042.15	debtor
						knew ck no good moved del

12/31/2003	Brian Dennis	✓ R22796	debtor/collector	M2	-1193.33	2 bounces in a row-nyr verified funds
12/31/2003	Brian Dennis	✓ T04342	debtor	M2	-4520	no money
12/22/2003	Brian Dennis	✓ S91579	debtor	M2	-2000	stop payment
12/31/2003	Mark Patterson	✓ S09433	collector	M25	-1000	debtor cld to change ck date- collector said no
12/22/2003	Elkiedra Richard	✓ Q60240	debtor	M26	-3012	no money
12/31/2003	Jim Gills	✓ 966780	collector	M31	-30000	was told by super to verify funds
12/31/2003	Jim Gills	✓ R86579	debtor	M31	-2411.5	no name
1/6/2004	Annie Hunt	✓ T16484	collector	M38	-2536.78	verified no money with bank-sill ran
12/31/2003	Annie Hunt	✓ D46489	collector	M38	-2059.88	dltr sd he was sending WU- verified no money- still ran ck
12/31/2003	Fernando Hunt	✓ S89285	debtor	M4	-4577.07	no money
12/31/2003	Fernando Hunt	✓ S88816	debtor	M4	-1500	no money
1/6/2004	Dane Revell	✓ 248701	debtor/collector	M40	-1041.66	never followed up after 1st bounce.
12/31/2003	Greg Ansardi	✓ T12054	collector	M42	-1050.11	debtor called to stop print-over done
12/30/2003	Denise Richardson	✓ S40051	debtor	M73	-1962.09	no money
12/30/2003	Steve Hallam	✓ T38274	???	M80	-2600	???
1/13/2004	Mike Mullens	✓ Q90213	debtor	P15	-1420.54	ck not endorsed
12/31/2003	Frank Saucedo	✓ T16254	debtor	P16	-8000	no money
12/31/2003	Frank Saucedo	✓ T26854	debtor	P16	-4608.38	no money
12/31/2003	Frank Saucedo	✓ T24294	debtor	P16	-2593.91	no money

12/31/2003	Bill Rice	S04710	collector	P46	-1000	every ck in past 4 months bounced.
12/31/2003	Bruce Woodson	S58146	collector	P49	-6000	clbr said still trying to get funds- collector dcl'd anyway 2 bounces-2 checks taken, asked to get cert funds, no attempt made.
12/31/2003	Bruce Woodson	S30421	collector	P49	-2000	
12/31/2003	Bruce Woodson	S61445	collector	P49	-1835.41	3 bounces in a row
12/31/2003	Bruce Woodson	S46255	collector	P49	-1704.76	4 bounces in a row
12/31/2003	Ricardo Hernandez	897578	debtor	T21	-1000	no money
12/31/2003	Ricardo Hernandez	R49951	debtor	T21	-1000	no money
12/30/2003	Dennis Angeles	Q19413	debtor	T27	-1000	debtor is a client
12/26/2003	Andrew Hardin	S95713	debtor	T47	-3875	no money
12/29/2003	Darrel Austin	T16868	debtor	T63	-3138.75	no money clbr wanted put changed-never changed
12/31/2003	Darrel Austin	R92845	collector	T63	-2000	debtor was to fed ex ck-ck thrt'd
12/31/2003	Darrel Austin	T19022	collector	T63	-1800	No Contact
12/31/2003	Darrel Austin	P98871	debtor	T63	-1000	no money
12/31/2003	Ronald Davis	R51111	collector/debtor	Z1	-2004.11	clbr cld sd having trouble with funds, will c/b. check ran n bounced.
12/31/2003	Ronald Davis	Q75158	debtor	Z1	-1750	no money
12/31/2003	Michael Dubay	T22857	debtor	Z11	-5133.34	no money
12/31/2003	Michael Dubay	T26751	debtor	Z11	-1307.44	mail in check bounced
12/31/2003	Robert Goodrich	T16242	debtor	Z12	-1187.15	no money

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12/31/2003	Frank Sauceda	✓ R52068	debtor	P16	-1766.36	no money
12/28/2003	Dan Slack	✓ S78084	debtor/collector?	P18	-22962.54	??? Cmnts show dbtr stop pay
12/31/2003	Dan Slack	✓ T20235	debtor	P18	-3927.93	b4 ck ran
12/26/2003	Dan Slack	✓ S80488	debtor	P18	-1659	no money
12/31/2003	Stephen Ross	✓ R75604	collector	P3	-11913.64	Does not make sense- dtd'd x2 no contact
12/31/2003	Stephen Ross	✓ R75604	collector	P3	-11913.64	does not make sense- dtd'x2 no contact
12/31/2003	Stephen Ross	✓ S66790	collector	P3	-7290.69	does not make sense- dtd'x2 no contact
12/31/2003	Stephen Ross	✓ S66790	collector	P3	-7290.69	Does not make sense- dtd'd x2 no contact
12/31/2003	Doug Gallaher	✓ T04431	collector	P42	-1355.6	dbtr fed ex'd check- ck was dtd'd no contact.
12/31/2003	Doug Gallaher	✓ S72495	debtor/collector	P42	-1157.23	unable to contact debtor after 1st bounce.
12/29/2003	Doug Gallaher	✓ S25262	collector	P42	-1000	no doc's from dbtr to ok post dates
12/31/2003	milquella Christi	✓ Q97349	collector	P44	-2000	changed ok with no contact
12/31/2003	milquella Christi	✓ T14046	debtor	P44	-1550	mail in check
1/13/2004	milquella Christi	✓ Q90213	debtor	P44	-1508.22	
12/31/2003	Michelle Beck	✓ T22732	debtor	P45	-1495	no money
12/31/2003	Bill Rice	✓ S64638	debtor	P46	-1784.39	no money
12/29/2003	Bill Rice	✓ T13604	collector	P46	-1490.78	dbtr said needed more time- collector verified funds with bank n ran- ck still bounced.
12/30/2003	Bill Rice	✓ T13604	collector	P46	-1490.78	dbtr said needed more time- collector verified funds with bank n ran- ck still bounced.

Date	Name	Account	Role	Code	Amount	Notes
12/31/2003	Gary Garrell	R37980	collector	Z19	-1275.4	5 bounces in a row- bounced 2 cks after coll. doc'd need cert funds.
12/31/2003	Gary Garrell	R25371	debtor/collector	Z19	-1051.4	told hy manager to get cert funds
12/31/2003	Edward Falco	S28056	debtor	Z2	-5862.14	client concerned
12/31/2003	Edward Falco	S63690	collector	Z2	-1000	collectors doc's say ck ran early without dltrs ok.
12/30/2003	Maria Munson	T28931	debtor	Z22	-1022.94	no money
12/31/2003	Patricia Pardo	R59576	debtor	Z23	-1500	no money
12/31/2003	Jon Fred	T06510	collector	Z37	-1254.85	verified no money with bank- never destroyed
12/31/2003	Jacqueline Johns	R93638	collector	Z41	-2429.7	debr has bounced 5 cks in a row starting Oct.
12/30/2003	Ed Bagrowski	S25765	debtor	Z52	-5000	Stop payment was told by manager to verify ckt after first ck bounced
12/29/2003	Ed Bagrowski	T16839	collector/debtor	Z52	-4186.9	waiting for collector to pull next ck, as requested by manager.
12/29/2003	Ed Bagrowski	S90838	debtor	Z52	-3996.65	no money
12/26/2003	Ed Bagrowski	S80928	debtor	Z52	-1398.85	no money
12/31/2003	Ed Bagrowski	S80928	debtor	Z52	-1333.39	no money
12/31/2003	Gary Garrell	G29113	collector/debtor	Z6	-1000	Collector was told cert. funds only- too many bounces
12/30/2003	Richard Thompson	R77406	debtor	Z7	-15213	no money
12/26/2003	Richard Thompson	T14832	debtor	Z7	-1845	debtor was to mail cert funds, next day ltc was taken
12/31/2003	Richard Thompson	R01525	debtor	Z7	-1500	no money

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12/30/2003

Dan Frazier

T00043

debtor

Z8

-3666.66

Stop Payment- Debtor's been
waiting on loan money.

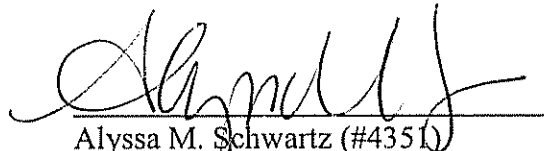
- 001322

CERTIFICATE OF SERVICE

I hereby certify that on May 22, 2006, I electronically filed the foregoing with the Clerk of Court using CM/ECF which will send notification of such filing(s) to the following and which has also been served as noted:

BY FEDERAL EXPRESS

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